

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

APRIL 21, 2014 BOARD MEETING MINUTES

Members Present: Jason Pistillo, Chairman KC Miller, Vice Chair
Dr. Gary Damore Trish Leonard, by phone times noted
Dr. Hank Radda Glen Tharp
David Walser

Also present: Teri Stanfill, Executive Director
Keith Blanchard, Deputy Director
KD, Licensing Manager

I. CALL TO ORDER

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

II. FEBRUARY 27, 2014 BOARD MEETING MINUTES: Dr. Damore made a motion to approve the Minutes as written. Mr. Tharp seconded the motion and the motion carried.

III. COMPLAINT #14-S011 Anthem College.
Represented by Kevin LaMountain and William Van Zwol. Complaint T.S. present

Mr. Blanchard summarized the complaint stating that complainant T.S. was a Veterinary Technician student at Anthem College. She alleged that she was wrongfully terminated with two classes left based upon allegations submitted by two 2 students regarding T.S. harassment. In the initial review of the complaint, the Complaint Committee considered the complaint at its meeting on March 27, 2014. After review and discussion, the committee voted to forward the complaint to the State Board for further review due to concerns with the lack of written documentation to justify terminating T.S. from school.

Mr. Van Zwol read the response submitted by Anthem.

In her allegations, T.S. had stated that none of her credits transferred from Anthem College to Pima Medical Institute ("PMI"), which was her reason for requesting a full tuition refund. It was confirmed by Board staff that the Anthem program credits did not align with PMI credits. Mr. Blanchard contacted PMI and was informed that all of T.S.'s credits had been transferred, based on classes paid by T.S.'s GI benefits. Mr. Tharp asked T.S. to explain the transfer of credits. T.S. explained she is a veterinary assistant so the transferred credits from Anthem did not count towards the requirements for completion of her program at PMI. Mr. Tharp explained the transfer of the credits from her VA benefits.

The Board members expressed their concern over the lack of documentation, which included the lack of interviews and having T.S. sign a confirmation document that she understood all allegations against her. The Board stated to T.S. that she was specifically told by Anthem staff

not to contact any students regarding the meeting to discuss the complaints by students regarding harassment. The Board questioned if T.S. was given due process prior to her termination. Discussion ensued over the seriousness of allegations of student harassment and the institution's administrative responsibility in handling matters involving student protection.

Motion: Dr. Damore made the motion to dismiss the complaint. Mr. Walser seconded the motion. Discussion: Ms. Miller requested a letter of concern be issued to Anthem for failing to communicate with student T.S. regarding her termination and the failure to fully document evidence pertaining to her termination. Dr. Damore revised the motion to issue a Letter of Concern regarding the lack of documentation, policies and procedures in the termination of T.S. Mr. Walser seconded the motion and the motion carried.

IV. LICENSING:

A. Conditional to Provisional Degree-Granting License Renewal: Western Career Institute (WCI). Represented by Dennis Willis

Ms. Stanfill summarized the Report stating that Western Career Institute is seeking renewal of the Conditional Degree-Granting License and explained that WCI is seeking accreditation with COE. Ms. Stanfill stated that COE conducted the team site visit in March 2014 and a decision from COE should be in by June 2014.

Dr. Damore was lead. Dr. Damore requested an update of how the school was doing.

Mr. Willis stated he had just received the team site visit report and there were no findings with a recommendation for approval to COE.

Motion: Dr. Damore made a motion to approve the Conditional to Provisional Degree-Granting License with the stipulation that the \$15,000 Surety Bond be maintained. Mr. Tharp seconded the motion and the motion carried. Mr. Willis agreed to the stipulation.

B. Regular Degree-Granting License Renewal: Arizona School of Acupuncture and Oriental Medicine (ASAOM). Represented by Dr. David Epley

Ms. Stanfill summarized the Report explaining that the License Renewal for ASAOM has been referred to the State Board based upon the concerns of ASAOM's accrediting agency, ACAOM. Ms. Stanfill explained that in April 2013, the State Board approved the 2013 License Renewal and dismissed Complaint #11-S011 as a result of ACAOM's determination in March 2013 that ASAOM had addressed all areas of non-compliance based upon the December 1, 2012 Progress Report. However, as a follow-up, in April 2013 ACAOM conducted a focused site visit to verify the documentation submitted in the Progress Report. The team could not verify that 7 standards/criteria from the original 16 standards/criteria met compliance standards. Accordingly, ACAOM required a Progress Report due April 1, 2014, a focus site visit to be conducted no later than June 2014 and full Commission review in August 2014.

Mr. Tharp was lead. Mr. Tharp asked if they have received a response from ACAOM regarding the April 1, 2014 Report. Dr. Epley stated that ACAOM has received the report but a response has not been received.

Dr. Epley gave an in-depth explanation regarding the issues ASAOM has experienced regarding past management and administration and the corresponding problems with ACAOM as a result. Dr. Epley also stated there is a pending buyer for the school.

Mr. Walser asked about the pending law suit. Dr. Epley explained the lawsuit is still pending but the legal defense is being covered through the liability insurance.

Motion: Mr. Tharp made a motion to approve the Regular Degree-Granting License Renewal with the stipulation that the \$20,000 Surety bond be maintained and to keep the State Board apprised with any communications and/or actions with ACAOM. Dr. Radda seconded the motion and the motion carried.

Ms. Leonard joined the meeting by phone at 11:00 a.m.

C. Supplemental License for a Change of Ownership: Institute for Brain Education.
Represented by Banya Lim

Ms. Stanfill summarized the Report.

Mr. Walser was lead. Mr. Walser requested further explanation regarding the financial statements for Sun Institute and the new owner, STI. Ms. Lim stated the intent of the change of ownership to STI Network is that STI Network has more resources available for the school.

Mr. Walser raised the question that Sun Institute appears to have more resources/assets than STI Network. Ms. Lim explained that STI has been growing and has been performing better than Sun Institute over the last couple of years.

Motion: Mr. Walser made a motion to approve the Supplemental License Application for a Change of Ownership for the Institute of Brain Education with the stipulation that the \$15,000 Surety Bond be maintained. Mr. Tharp seconded the motion and the motion carried. Ms. Lim agreed to the stipulation.

D. Conditional Vocational Program License Applications:

1. Community Kitchen (CK). Represented by Roseanne Swartz, Program Manager, Sarah Stuckey, CFO and Laura Brill, Director of Culinary Programs at St. Mary's Food Bank

Dr. Damore recused himself.

Ms. Stanfill summarized the Report and explained that Community Kitchen had been previously licensed by the Board and that Community Kitchen believed licensure was no longer required because CK was not receiving any state funding. Ms. Stanfill explained the communications between Staff and CK, and that CK was informed that licensure was required regardless of the funding source for the student.

Ms. Leonard was lead. Ms. Leonard asked for clarification regarding placement assistance. Ms. Brill responded that CK does not offer direct placement assistance, but distributes general

information regarding resume creation, mock interviews, etc. Ms. Leonard thought the language may be misleading that placement assistance was provided.

Ms. Leonard asked if the program was only for Arizona residents. Ms. Brill explained that based upon the partnerships with CK and the requirement of an AZ Food Handler's Card to secure employment, the students are normally from Arizona, but can choose to relocate.

Ms. Leonard asked for clarification regarding the Orientation course and if CK determined the student would not be able to successfully complete the program the student would be dismissed. Ms. Leonard stated that the statement may be arbitrary and asked if CK has had to deal with this issue. Ms. Brill explained how CK works one on one with a student and provides the needed assistance the student may need.

Motion: Ms. Leonard made the motion to approve the Conditional Vocational Program License with the stipulation that the \$15,000 Letter of Credit is maintained and the licensure be maintained as long as the program was being offered, regardless of funding source. Ms. Miller seconded the motion and the motion carried. Dr. Damore abstained. Ms. Brill agreed to the stipulation.

Dr. Damore rejoined the meeting.

2. floo-id Yoga. Represented by Elizabeth Beary

Ms. Stanfill introduced this Agenda item.

Ms. Miller was lead. Ms. Beary made an opening statement. Ms. Beary responded to Ms. Miller's questions. Ms. Miller recommended that the admission requirement that the one year of yoga practice be revised as Ms. Beary clarified the requirement was not strictly followed.

Motion: Ms. Miller made a motion to approve the Conditional Vocational Program License application with the stipulation that the \$15,000 Surety Bond is maintained. Dr. Radda seconded the motion and the motion carried. Ms. Beary agreed to the stipulation.

E. Regular Degree-Granting License Application: College of St. Scholastica (CSS).
Represented by Maria Laughner, Arizona Regional Director

Ms. Stanfill introduced this Agenda item. Dr. Radda was lead.

Ms. Laughner explained that CSS is a part of the "communiversity" complex in Surprise and intends to have a campus in Arizona as well as recruit for the online programs offered from the Duluth, MN campus.

Dr. Radda asked for further clarification regarding HLC's concern regarding faculty qualifications and assessment. Ms. Laughner stated she was not able to answer "specifics" and stated she would get the information from the main campus, but that CSS is required to submit reports later this year and in 2015.

Dr. Radda noted that the proforma shows that CSS expects to incur losses for the next three years. Ms. Laughner responded the CSS has an endowment to help provide the funding. The AZ campus is the ninth location and has the full financial support of CSS.

Dr. Radda noted that the withdrawal policy is not clear and requested the policy be revised and more specific as to how the online student can withdraw.

Ms. Laughner responded to questions regarding the available student services at the Arizona location, staff, faculty and the online programs.

Ms. Leonard noted that the website mentioned a location in Queen Creek. Ms. Laughner stated it has been requested to remove the Queen Creek location and will follow up.

Motion: Dr. Radda made a motion to approve the Regular Degree-Granting License Application for the Surprise campus as well as recruit for the online programs in Duluth, MN main campus but that an explanation is provided regarding the concerns with HLC. Dr. Damore seconded the motion and the motion carried.

11:43 Break – power outage

Ms. Leonard was no longer able to participate.

12:03 p.m. Meeting reconvenes.

Ms. Leonard was no longer participating by phone.

F. Conditional Degree-Granting License Application: American University of Sovereign Nations. Represented by Dr. Thomas Gionis, Dr. Nia Smyrniotis, and David W. Hutton (Several other representatives were in attendance)

Please note: this Agenda item was 1:38 minute discussion.

Ms. Stanfill introduced this Agenda item. Mr. Pistillo was lead.

Dr. Gionis introduced the representatives in attendance for AUSN. Dr. Gionis provided a lengthy and extensive explanation of the mission and goals of AUSN to provide programs to help the indigenous people to improve their lives and health.

Mr. Pistillo asked Dr. Gionis to explain the timeline to meet the visions of AUSN. There was length discussion regarding the process and timelines with HLC and LCME in offering the MD program.

The Board engaged in lengthy discussions regarding the financing of AUSN, the relationships between the three governing boards, recruitment, marketing and projections.

Ms. Pistillo requested Dr. Gionis explain the Citation that has been issued by the State of California. Dr. Gionis explained the history and his relationship with Aristotle University. Dr. Gionis stated the matter is still pending in California. The Administrative Hearing has been re-scheduled from November 2014 to February 2015.

Mr. Pistillo raised his concern with the Promissory Notes and payment periods. Mr. Pistillo cautioned AUSN that they may be subject to the Truth in Lending regulations as a result of the Promissory Note.

The relationship and independence between the President and the Provost were discussed at length. Mr. Pistillo cautioned AUSN that the independence between the Board and the President is an important issue with the HLC.

There were subsequent and lengthy discussions regarding the "day to day operation" of the institution. The Board noted the mission and vision of the institution is very ambitious and stated the Board's concerns that many of the "operating components" are lacking.

Motion: Mr. Pistillo made a motion to approve the Conditional Degree-Granting License application for AUSN with the stipulations that the \$56,200 Surety Bond is maintained. Mr. Walser seconded the motion. Discussion ensued regarding the question of the day to day operations being in place. Dr. Radda stated he would request that AUSN provide an operational plan and submit to quarterly reporting.

Mr. Pistillo amended his motion that AUSN be required to submit to quarterly reporting, provide an operational plan, marketing plan, explanation of administrative support and job descriptions. Mr. Walser seconded the amended motion. The motion carried.

Ms. Stanfill stated that advertising of the medical school was still prohibited. Dr. Gionis agreed to the stipulations.

1:40 Dr. Damore left the meeting.

V. CALL TO THE PUBLIC – No one came forward.

VI. Board Business:

A. Executive Director's Report – No one had questions. Ms. Stanfill stated she would be attending the NASAPS meeting in Little Rock, AK.

B. SARA Update: Ms. Stanfill gave a brief update. The Board questioned if the Board would be able to enter into reciprocity agreements with other states, not utilizing SARA. Ms. Stanfill stated she will have to research this question.

C. Negotiated Rulemaking: "State Authorization for Programs Offered through Distance Education" and "Gainful Employment": Discussion and action in submitting comments.

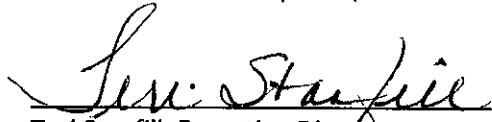
Mr. Pistillo explained his concern with the two regulations and Ms. Stanfill has drafted a letter on behalf of the Board expressing the Board's concerns.

Motion: After discussion, Mr. Pistillo made a motion to approve Ms. Stanfill sending a letter expressing the Board's concerns regarding the proposed State Authorization and Gainful Employment to the USDE. Mr. Tharp seconded the motion and the motion carried.

VII. Adjournment

The meeting adjourned at 1:53 p.m.

The Minutes of the April 21, 2014 meeting were approved at the May 22, 2014 meeting.


Teri Stanfill, Executive Director