

ARIZONA STATE BOARD FOR PRIVATE POSTSECONDARY EDUCATION
1400 W. Washington Street, Conference Room B1
Phoenix, AZ 85007

JUNE 26, 2012 BOARD MEETING MINUTES

Members present: Laura Palmer Noone, Chair Jason Pistillo
 KC Miller, Vice Chair Glen Tharp
 Trish Leonard David Walser

Also Present: Teri Stanfill, Executive Director
 Keith Blanchard, Deputy Director
 Jeanne Galvin, Assistant Attorney General
 Cassandra Piñon, Program Specialist

I. CALL TO ORDER

Dr. Noone, Chair, called the meeting of the Arizona State Board of Private Postsecondary Education to order at 11:00 A.M.

Ms. Stanfill requested that the Aspen Dental Assisting School be moved for consideration after discussion/action of the Minutes.

II. BOARD MEETING MINUTES:

A. May 24, 2012 Regular Meeting Minutes: Ms. Miller noted a typo on page 3. Mr. Walser made a motion to approve the minutes with the correction. Mr. Pistillo seconded the motion. The motion carried.

B. May 24, 2012 Executive Session Minutes: Mr. Tharp stated the Executive Session Minutes were not provided. Dr. Noone stated action will be deferred until the August meeting.

III. Everest College Phoenix: Review of the Institutional Improvement Plan for Retention and Placement and Reports submitted to the Higher Learning Commission. Represented by: Todd McDonald, Phoenix Campus President and Elaine Raker

Ms. Stanfill summarized the Report to the Board. At the May 24, 2012 meeting, Mr. Pistillo requested that Everest College attend this meeting to address the Placement and Retention rates.

Mr. Pistillo asked about the May 2012 HLC onsite visit. Ms. Raker responded the visit went very well, but they have not yet received HLC's response.

Mr. Pistillo stated that the Placement rates appear to be good. Mr. McDonald explained the improvement in the Placement rates.

Mr. Pistillo requested Mr. McDonald explain the May 15, 2011 January-April Retention Summary Report. Mr. McDonald provided his explanation of the percentage calculation.

Mr. McDonald responded to additional questions of the Board members.

Action: Mr. Pistillo made the motion that Everest College continue to provide to the Board a summary of the HLC Quarterly Report and in addition, to provide the raw data used in calculating the Retention rates by program, by campus. Mr. Tharp seconded the motion. The motion carried.

IV. LICENSING:

1. Arizona Automotive Institute:

- A. 2012 Regular Vocational Program License Renewal;
- B. February 6, 2012 Letter of Understanding and subsequent events;
- C. Supplemental License Application for a Change of Control

Represented by: Dennis Del Valle, AAI Campus President; Michael Gries, ATI President/CEO, Brett Idaspe, Director of Education and Art Rodriguez. By phone: Sue Edwards, ATI Compliance.

Ms. Stanfill summarized the Reports for the Board regarding the 2012 License Renewal and the Change of Ownership; the Change of Ownership is actually a 50% change in the Board of Directors and the President. Ms. Stanfill also reported that on June 6, 2012, ACCSC placed AAI on Probation for financial structure of the system, integrity of records and low student achievement outcomes; ACCSC also took additional action on other ATI owned schools.

Mr. Gries addressed the Board and explains in depth the actions that have taken place with USDE (release from HCM2 to HCM2 method of payment), the Texas Workforce Commission and ACCSC. Further, Mr. Gries explains in detail the changes in policies that have taken place for improvement in placement and financial structure.

Mr. Del Valle also explains that many of the problems have been a result of the problems that began in the Texas schools.

Mr. Pistillo questions the accuracy of the placement data on the License renewal. Mr. Del Valle acknowledges the numbers are incorrect. Mr. Pistillo expresses his concern that the reliability of data has been the concerns of ACCSC.

Action: After discussion, Dr. Noone made the to approve the Supplemental License Application for a Change of Ownership, but defer action on the 2012 Regular Degree-Granting License Renewal pending submission of corrected placement data. Ms. Miller seconded the motion. The motion carried.

2. Supplemental License Applications for a Change of Ownership:

A.B.C. Anthem College, Anthem College Online, The Bryman School. Represented by David Knobel, President of Education Training Corp and Dean Bartness, CCO of Education Training Corporation

Ms. Stanfill summarized the Report to the Board. Mr. Walser was lead and asked Mr. Knobel to explain the change of ownership. Mr. Knobel explained how the change of ownership evolved and the changes that have since occurred. Mr. Knobel stated that ACICS accreditation has been temporarily reinstated and there are not any enrollment restrictions.

Action: Mr. Walser made the motion to approve the Supplemental License Applications for a Change of Ownership for Anthem College, Anthem College Online and The Bryman School. Ms. Leonard seconded the motion. The motion carried.

2.D. Med-Line School of Medical Transcription. Represented by: Diane Hurkens and Phil Gabriel

Ms. Stanfill summarized the Report to the Board and also stated that the location changed from Lake Havasu to Rio Verde, AZ. Mr. Pistillo was lead and asked Ms. Hurkens to explain if any changes planned. Ms. Hurkens responded they are looking at some changes in the curriculum and possibly adding a new program in voice recognition.

Mr. Gabriel also explained the difficulties they encountered in getting financial information from the prior owner.

Ms. Leonard noted inconsistencies in the tuition, fees and the refund policy in several of the documents.

Action: Mr. Pistillo made the motion to approve the Supplemental License Application for a Change of Ownership with the following stipulations: 1) maintain the \$15,000 Surety bond; submit to quarterly reporting; 2) revise the program hours to be consistent in all documents; 3) the refund policy to be consistent in all documents and delete the term "immediately" in the refund policy and 4) revise to read the refund will be provided within 30 days. Mr. Walser seconded the motion. The motion carried.

3. Regular Degree-Granting License Applications:

A. Aspen University Call Center: Represented by Angela Siegel

Ms. Stanfill summarized the Report to the Board and explained that Aspen University will be operating a call center only in Arizona.

Ms. Leonard notes several revisions were required in the refund policy, Title IV refund policy and the Leave of Absence policy. Ms. Siegel agreed to the revisions.

Action: Dr. Noone made the motion to approve the Regular Degree-Granting License application with the following stipulations: 1) ensure the refund policy is consistent on the enrollment agreement and the catalog; 2) the Title IV refund policy should be added to the refund policy and 3) Leave of absence policy is not in compliance with Title IV regulations and must be revised. Ms. Miller seconded the motion. The motion carried.

B. Upper Iowa University: Represented by Dr. William Duffy and Wayne Converse

Ms. Stanfill summarized the Report for the Board and noted that UIU had not yet finalized the Arizona location and the documents regarding the location will need to be provided. Dr. Duffy responded that a temporary location has been identified on Country Club Drive.

Mr. Pistillo was lead and asked Dr. Duffy to explain UIU plan for the Mesa location. Mr. Duffy explained UIU's plan.

Mr. Pistillo had several questions regarding clarification of the programs, projections and the catalog. Dr. Duffy responded to the questions.

Ms. Leonard noted on one of the UIU brochures the statement that stated "all" students qualify for some form of financial assistance. Mr. Converse agreed this statement required revision.

Action: Mr. Pistillo made a motion to approve the Regular Degree-Granting License Application with the following stipulations: 1) Application form, page 1: Identify the AZ facility location; 2) AZ location: complete the Facility Information form; provide the Certificate of Insurance (\$1,000,000 general liability and \$1,000,000 professional liability) identifying the State Board as a Certificate Holder; Fire Inspection Report; 3) Application form, page 4: Revised placement rate calculation; 4) Program Listing: Separate lists identifying the programs that will be offered on the AZ campus and the online programs out of the Iowa campus available to the AZ campus; 5) Revised enrollment agreement with total credits for the programs; 6) Revised catalog to clearly identify the programs offered at the AZ campus; and 7) UIU brochure: page 25, delete/revise the statement, "What's more, all students qualify for some form of financial assistance". Mr. Tharp seconded the motion. The motion carried.

4. Conditional (non-accredited) Vocational Program License Application: Aspen Dental Assisting School. Represented by phone: Eileen McQuade

Note: Ms. Stanfill requested this agenda item moved to be heard after discussion/action of the Minutes. Ms. McQuade and Dr. Castle were out of town at a dental convention. Ms. McQuade was not on during the initial discussion of the application, but was available later to answer questions.

Ms. Stanfill summarized the Board Report and reported she conducted the on-site visit. Ms. Miller was lead and expressed her concern that the projections appear to be high with 40 students. The Board expressed their concern with the number of dental assisting schools that have started during the last year.

Ms. Leonard expressed her concerns regarding the availability of externship sites. Ms. Stanfill responded that the dental practice has five chairs and that Ms. McQuade had explained to her that the dental practice has contacts with other dentists willing to provide the externship sites and well as the Castle dental practice.

Motion: Ms. Miller made a motion to approve the Conditional Vocational Program Application with the stipulations that the \$15,000 Surety Bond be maintained. Mr. Walser seconded the motion. The motion carried.

Later Ms. McQuade joined the conference call. Ms. Miller asked about the high projections. Ms. McQuade responded they intend to teach the program 4 times within a year and 10 students.

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

VI. BOARD BUSINESS:

1. Executive Directors Report: The Board members did not have any questions.

2. POLICIES AND PROCEDURES CONCERNING:

A. PROGRAM/COURSE OF STUDY FORM FOR ACCREDITED INSTITUTIONS

Ms. Stanfill explained that during the last couple of months, the Board has suggested that the Program/Course of Study ("PCS") form should be revised for accredited, degree-granting programs.

Ms. Stanfill stated she has provided suggested revisions to the current PCS form and a copy of the Program form for the out-of-state institutions. The different scenarios were provided in the Report.

The Board discussed the matter at length.

Action: After discussion, Mr. Pistillo made a motion that the proposed PCS as revised be adopted for new applicants and be submitted for accredited institutions with a physical presence and delivering the educational programs from the AZ location. For out-of-state institutions with a physical presence in Arizona, but the programs are delivered online from the main campus, the form listing the Degree programs is sufficient. Mr. Tharp seconded the motion. The motion carried.

A. PLACEMENT REPORTING ON THE ANNUAL LICENSE RENEWAL

Mr. Pistillo requested this matter be considered by the Board as a result of the new federal regulations. Mr. Pistillo explained that the federal regulations will require an institution to calculate and disclose placement rates if either the accrediting agency or the State agency requires the institution to provide placement rates.

Mr. Pistillo stated that the annual license renewal requests the institution to provide placement data, not by program, but based upon total enrollment. Accordingly, an institution is required to disclose the placement rate as submitted on the license renewal as well as if required to also report placement rates to the accrediting agency. Mr. Pistillo stated the formula on the license renewal fails to provide definitions or reporting periods. Additionally, the institution may be required to report placement rates using different methodologies and time periods.

The Board members discussed this issue at length. The discussions focused on the following scenarios based upon the new federal regulations:

1. Accredited institution and required to report placement rates, by program, to their accrediting agency;
2. Accredited institutions NOT required to report placement rates;
3. Non-accredited institutions.

Ms. Stanfill stated that the placement rate calculation is not in statute or rule and that the placement rate calculation is not required for accredited institutions in statute or rule.

Ms. Miller expressed her concern that the placement rate, by program, should be used as an important tool in evaluating the program.

Mr. Walser requested clarification if an accredited institution is not required to report placement rates by the accrediting agency, then the institution would not be required to provide placement rates to the State Board; clarified as correct.

Action: Dr. Noone made the motion to clarify the State Board's position in requiring the institutions' reporting of the placement rate calculation on the annual license renewal:

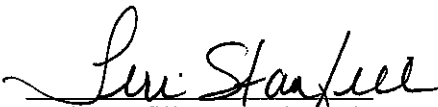
1. An Accredited institution is required to provide a placement rate calculation, by program, to their accrediting agency, this information is also to be provided to the Board;
2. An accredited institution is NOT required to provide a placement rate calculation to their accrediting agency, the institution is NOT required to provide a placement rate calculation to the Board;
3. Non-accredited institutions are to provide placement rate calculation by program to the Board.

Mr. Pistillo seconded the motion. The motion carried.

VIII. ADJOURNMENT

The meeting adjourned at 1:25 P.M.

The June 26, 2012 Minutes were approved at the August 23, 2012 Board meeting.


Teri Stanfill, Executive Director