

ARIZONA STATE BOARD FOR PRIVATE POSTSECONDARY EDUCATION

1400 W. Washington Street, Conference Room B1

Phoenix, AZ 85007

AUGUST 23, 2012 BOARD MEETING MINUTES

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

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

I. CALL TO ORDER

Dr. Noone called the meeting of the Arizona State Board for Private Postsecondary Education to order at 10:00 a.m.

II. BOARD MEETING MINUTES:

A. May 24, 2012 Executive Session Minutes: Ms. Miller made a motion to approve the Executive Session Minutes with the correction of the date to May 24, 2012. Mr. Tharp seconded the motion and the motion passed.

B. June 23, 2012 Regular Meeting Minutes: Ms. Miller made a motion to approve the Minutes as submitted. Mr. Walser seconded the motion and the motion passed.

III. Dunlap-Stone University: Represented by Dr. Donald Burton, Mrs. Valeri Burton and James Armstrong, DSU legal counsel

A. Discussion, Consideration and Possible Action relating to Complaint #11-NS007 and the rescission of the matter to formal hearing for the purpose of receiving legal advice.

Ms. Galvin explained that once the Board had set Complaint #11-NS007 to hearing, she becomes an advocate for the Board in the case and can no longer provide legal advice to the Board. Ms. Galvin requested the Board re-consider the matter in order for Ms. Galvin to provide legal advice.

Action: Mr. Walser made the motion to rescind the Board's previous decision to send Complaint #11-NS007 to formal hearing. Ms. Leonard seconded the motion and the motion carried.

B. Discussion, Consideration and Possible Action relating to Complaint #11 NS007 and possible resolution including, but not limited to, further investigation or settlement negotiations.

Ms. Galvin explained that she and Ms. Stanfill has meet with Dr. and Mrs. Burton as well as with their legal counsel, Mr. James Armstrong regarding the Board's concern's in this matter and suggested the Board go into Executive Session to receive legal advice.

Action: Mr. Tharp made a motion to go into Executive Session to receive legal advice. Mr. Pistillo seconded the motion and the motion carried.

Regular Meeting adjourned: 10:04 a.m.
Executive Session begins: 10:05 a.m.
Executive Session ends: 10: 25 a.m.
Regular Meeting resumes: 10:26 a.m.

Ms. Leonard stated she has reviewed DSU's website and found the website to have been revised and more clear regarding the programs and notes that DSU has removed all references to the Master degree in all materials.

Dr. Noone noted that the institution has been working cooperatively with the Board and has taken the necessary remedial actions.

Action: Dr. Noone makes a motion to dismiss the complaint with prejudice based upon the remedial actions taken by the institution. Mr. Tharp seconds the motion and the motion passed.

C. 2012 Regular Vocational Program License Renewal and Regular Degree-Granting License Renewal

Ms. Stanfill summarized the Report explaining the License Renewal was referred to the Board as a result of the past complaints and that Staff does not process/approve renewals if there have been concerns/issues/complaints with the Licensee.

Ms. Stanfill also explained she has worked with Dr. Burton regarding the required revisions to the Catalog, and that Dr. Burton has agreed to revise.

Ms. Leonard questioned the references to Title IV. Dr. Burton explained that DSU has withdrawn from Title IV participation, but has not yet received confirmation from the Department. As a result, he believed he was required to maintain the references to Title IV. Dr. Burton confirmed he would be removing all references to Title IV upon receiving confirmation from the Department.

Action: Mr. Tharp made a motion to approve the Regular Vocational Program and Degree-Granting License Renewals with the stipulations that the revisions be made and provide the Board with a revised copy. Ms. Miller seconded the motion and the motion carried.

IV. Complaint #12-S010 filed against Prescott College. Represented by Dr. Paul Burkhart and Rich Lewis with Prescott College and D.D. Complainant

Mr. Blanchard presented this complaint, filed by D.D. against Prescott College, which was received by staff on February 16, 2012. At the Complaint Committee meeting on June 26, 2012 the committee voted to defer action and forward to the State Board for review. The members requested the institution and complainant continue to communicate and attempt to come to a mutual resolution and present to outcome to the Board.

In his complaint, D.D. alleged unfair practices, false statements, which included the main issue of expulsion from Prescott College for alleged violations of student code of conduct (student teaching without institutional approval). The main topic for discussion and the reason the complaint committee forwarded this complaint to the Board for review was the school stated D.D. failed to go through the proper channels and complete all approvals before beginning his student teaching at an approved school.

In the responses to the Board, D.D. requested that his expulsion be reversed, requested reinstated as a student and be approved by the school to begin his student teaching. Prescott College offered D.D. the ability to finish his BA in Education through Prescott College, but without an institutional recommendation (I.R.) for teaching.

Action: Ms. Miller made the motion that upon review of all the material, to find no violation of Board statute and rule and dismiss the complaint. Mr. Walser seconded the motion and the motion carried. It is noted that the institution will still offer to D.D. the opportunity to complete his degree program.

V. LICENSING:

1. Arizona Automotive Institute: 2012 Vocational Program License Renewal and February 6, 2012 Letter of Understanding and subsequent events. Represented by Tim Schutz, ATI President, Art Rodriguez, ATI Compliance, Michael Gries (by phone), ATI CEO, Brett Idaspe AAI and Ben Jones (by phone), AAI advisor

Ms. Stanfill reported that the Board considered the 2012 License Renewal for AAI at the August meeting; however, postponed action due to the concern regarding the validity of the placement data. As required, AAI submitted revised placement data.

Ms. Pistillo requested AAI provide an explanation regarding the incorrect placement data. Mr. Rodriguez explained it was a clerical error and that ATI/AAI has taken steps to improve the processes to ensure accurate data in the future. Mr. Pistillo expressed his

concern with the revised placement rates and requested an explanation how the institution plans to improve the rate. Mr. Schutz addressed the Board explaining the steps they are taking to improve the support of the students and placement.

Mr. Gries explained the current status with ACCSC and the probation of the Florida schools. Mr. Gries also explained the write off of the goodwill in the financial statements.

Action: Ms. Miller made the motion to approve the Regular Vocational and Degree-granting program license with the stipulations that the \$100,000 surety bond be maintained, the Letter of Understanding for Complaint #12-NS003 remain open and reporting requirements continue, a requirement to provide a quarterly report on enrollment and placement data, by program, ensuring the data is shown as a “trailing 12 month period” which is reviewed by the Finance Committee. Mr. Walser seconded the motion and the motion carried.

2. Supplemental License Application for a Change of Ownership: Arizona School of Integrative Studies. Represented by Joseph Rongo and David Merwin Ms. Stanfill summarized the Report to the Board explaining that Joseph Rongo, the founder, will remain a part owner.

Mr. Walser asked Mr. Merwin to explain the new structure. Mr. Merwin explained he is now the majority owner but that Joseph and Jamie Rongo will continue to manage the schools. Mr. Merwin explained that the bookkeeping functions have moved off-site to that the managers can focus on the pursuit of accreditation and curriculum changes.

Ms. Leonard noted the two changes required in the refund policy.

Action: Mr. Walser made a motion to approve the Supplemental License Application for a Change of Ownership with the stipulation that the refund policy be revised as needed. Mr. Tharp seconded the motion and the motion carried.

3. Regular Degree-Granting License Applications

A. Westminster College: Represented by Robert Seelinger, Hillarie Price and Terry Bowmaster

Ms. Stanfill summarized the Report. Mr. Pistillo questioned the placement data. Mr. Seelinger responded that they had provided both their calculation and the AZ calculation. Mr. Pistillo stated that the AZ placement rate was based upon a total headcount, not just the freshman and requested the institution revise and resubmit the data.

Mr. Pistillo had additional questions regarding the financial data as well as the externships for the programs. Mr. Seelinger responded to the questions.

VI. CALL TO THE PUBLIC

Complainant DD stated he had several questions regarding the dismissal of the complaint. Ms. Galvin instructed DD to contact Staff with any questions.

Mr. Lockhart addressed the Board and requested the Board to consider the requirements for placement for the institutions.

VII. BOARD BUSINESS

1. Executive Director's Report: Ms. Stanfill summarized the State Board report. The Board requested that Staff get an update on the status of the Grand Canyon University USDE program review report.

Mr. Pistillo requested that Everest revise the Retention and Placement report to show the data as a "trailing 12 month period."

2. 2013/2014 Budget and Strategic Plan

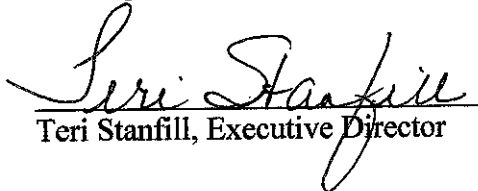
Ms. Stanfill summarized the 2013/2014 Budget. Ms. Stanfill explained she has submitted a funding request to transfer \$320,000 from the operating account to the STRF fund.

Board members discussed the current staffing structure. After discussion, the Board directed Ms. Stanfill to submit a funding request with the budget to increase personnel that would include a person specializing in higher education issues that include federal regulations, accrediting standards and the varying state licensing requirements.

VIII. ADJOURNMENT

The meeting adjourned at 1:25 P.M.

The August 23, 2012 Minutes were approved by the Board at the September 27, 2012 meeting.


Teri Stanfill, Executive Director