

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

BOARD MEETING MINUTES
AUGUST 25, 2011

Members present: Laura Palmer Noone, Chair
Holly Helscher (by phone)
Trish Leonard
KC Miller
Scott Rhude
Glen Tharp

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

I. Call to Order – 10:00 a.m.

Chair Noone called the meeting to order at 10:00 a.m. Ms. Noone stated the order of the Agenda would be changed. The Board would first consider the applications for licensure and then the complaints.

II. Board Meeting Minutes: June 23, 2011 Regular Meeting Minutes

Ms. Miller made a motion to approve the Minutes. Mr. Rhude seconded the motion and the motion passed.

IV. Licensing:

A. Regular Degree-Granting License Renewal: Asian Institute of Medical Studies (AIMS): No one was present from the institution.

Ms. Stanfill introduced this agenda item explaining that ACAOM met on August 19, 2011 regarding AIMS' status of accreditation based on concerns with AIMS' financial stability. ACAOM's options were to deny accreditation, grant re-accreditation based upon the work that AIMS has completed, or grant re-accreditation contingent upon the sale of the school. Ms. Stanfill stated that ACAOM's decision was not yet known.

Mr. Rhude expressed his concern that these issues have continued. Mr. Rhude also expressed concern that the 12/2010 audit is not yet available and had questions regarding the cash balance, accounts payable/receivable and payroll withholdings and the projections indicate a loss.

Action: Mr. Rhude made a motion to direct AIMS to provide the current status of the following information: Cash balance, accounts payable/receivable and payroll withholdings and the status of the 12/2010 audit; and to provide the information for consideration by the finance committee at its meeting in September. Ms. Helscher seconded the motion and the motion carried.

B. Conditional Vocational Program License Applications:

B.a. Yoga Breeze of Cave Creek, LLC: Represented by Jane Gleason and Kelly Nash

Ms. Stanfill introduced this Agenda Item. Ms. Gleason responded to the questions of the Board. The Board did not require any revisions, but Ms. Miller suggested that the “Certificate of Graduation” be renamed to “Certificate of Completion”.

Motion: Ms. Miller made a motion to approve the Conditional Vocational application for Yoga Breeze with the stipulation that the \$15,000 Surety Bond be maintained. Mr. Tharp seconded the motion and the motion passed. Ms. Gleason agreed to the stipulations.

B.b. Yoga Village: Represented by Wiley Adams

Ms. Stanfill introduced this Agenda Item. Mr. Tharp questions the degree requirements for the faculty. After discussion, Mr. Tharp suggested the degree requirement be removed. Mr. Rhude had questions regarding the financial/cash position of the applicant. Mr. Wiley responded the low cash balance is from purchasing the school.

Motion: Mr. Tharp made a motion to approve the Conditional Vocational Program License application with the stipulations that the \$15,000 Surety Bond be maintained and faculty requirements be revised. Ms. Leonard seconded the motion and the motion passed. Mr. Wiley agreed to the stipulations.

C. Conditional Degree-Granting License Application: University of Medical Sciences:
Represented by Dr. Janice Pitts

Ms. Stanfill introduced this Agenda item. Ms. Helscher asked if the payment plan deposit was \$300 or \$100. Dr. Pitts responded it was \$100.00. Ms. Helscher also noted several inconsistencies and typos in the materials. Ms. Helscher also stated the student records retention must be in compliance with state law which requires the institution to maintain the student records in perpetuity. Dr. Pitts agreed to revise and correct the policy.

Mr. Rhude strongly cautioned the applicant as to the difficulty in achieving accreditation and the Board’s responsibility to ensure financial stability and student protection. Dr. Pitts acknowledged Mr. Rhude’s concerns.

Motion: Ms. Helscher made the motion to approve the Conditional Degree-Granting License application with the stipulations that the \$15,000 Surety Bond be maintained, inconsistencies and typos are corrected and the policy on student records be changed. Ms. Miller seconded the motion and the motion passed. Dr. Pitts agreed to the stipulations.

Meeting recessed at 11:30 a.m.
Meeting reconvened at 11:36 a.m.

III. Complaints:

- B. Complaint #11-S007 filed against Embry-Riddle Aeronautical University:**
Represented by Counsel Nancy Giles and ERAU representative Richard Bloom.
Complainant J.S. was also present.

Mr. Blanchard introduced this Agenda item. Complainant J.S. alleged Robert Kelm, Assistant Director of Admissions stated during recruitment that in the helicopter program, helicopters would be at the campus in operation for the 2009 fall semester. These promises or communications continued after enrollment. The allegations in this complaint suggested these promises or enticements lead J.S. to enroll in the helicopter flight program.

J.S. addressed the Board. J.S. explained that he was led to believe that the helicopters would be at the campus and that is why he enrolled in the program.

Mr. Bloom and Ms. Giles addressed the Board and explained that Embry-Riddle had a contract with a company to provide the helicopters and that promises that the helicopters would be available at the campus were not made.

Motion: Ms. Miller made the motion to offer the institution a consent agreement, agreeing to refund J.S. the fall semester tuition of \$13,740.00. Mr. Rhude seconded the motion and the motion passed. Ms. Giles indicated she would take the offer under advisement.

- A. Complaint #11-NS004 filed against Dunlap-Stone University ("DSU"):** Represented by Counsel James Armstrong and Valeri Burton. Also present: complainant CK.

Ms. Noone introduced this agenda item and summarized the complaint. Complainant CK was a former instructor and submitted a complaint alleging 1) plagiarism of his work and personal experiences by another instructor; 2) management inability to pay on time; 3) administration/management of the IIEI certifications. Ms. Noone stated that the allegation of IIEI certification is not under the Board's jurisdiction and the allegation of financial misconduct has been superseded by the audited financial statements. Ms. Noone stated that the Board's statutes and rules do not address the issue of plagiarism, but the Board's statutes and rules do require a institution to follow its policies and rules, but those policies are not established by the Board.

Ms. Noone then summarized the timeline regarding CK's allegation of plagiarism. CK first became aware of the alleged plagiarism of CK's course by another instructor in April 2005. CK contacted the instructor and DSU. In January of 2006, CK became aware the use of his personal experiences were continuing to be used by the instructor. CK contacted DSU again and was told by DSU employee Caulyn Barron the matter would be corrected. In December 2006, CK became aware that the alleged plagiarism was continuing. CK contacted the instructor, who

apologized. CK resigns in January 2007 and files a formal grievance with DSU regarding the plagiarism. CK is told that the grievance has been forwarded to the DSU grievance committee. It appeared that the grievance committee met in January and came to the conclusion that it was morally questionable to use the material without credit to CK.

Counsel James Armstrong addresses the Board and states Ms. Noone's summary of the voluminous information is correct. Mr. Armstrong explains that DSU did address the concerns with the instructor and the instructor was told to cease. Mr. Armstrong also explains that the instructor stated he was told by CK that he could use his material. Mr. Armstrong states that DSU "trusted" the instructor to cease the use of CK's material, but he did not. Mr. Armstrong further states that perhaps the matter was not handled properly. Mr. Armstrong acknowledges that the perceived wrongs have become personal.

Mr. Armstrong then distributes an August 19, 2011 letter received by Don Burton that is purported to be threatening (postmarked envelope was not provided) to demonstrate how personal the issues have become.

Ms. Leonard asked if the instructor alleged to have used C.K.'s material and personal experiences without permission was still with DSU. Ms. Burton responded that he was as a class assistant.

Ms. Burton explains how the classes are offered and states that the course has been formatted to be taught exactly the same and that the only exception would be the student questions. Ms. Burton states the instructors are more of a "facilitator" and if one would not review the paperwork side by side, one would not know the difference between the course (as taught by different instructors).

Ms. Noone states that she disagrees with that explanation as the alleged plagiarism was brought to the attention of DSU three times. Ms. Noone further questioned how the DSU grievance committee's determination that the use of CK's personal experiences, etc were not plagiarism and states her disagreement with the committee's finding.

Mr. Armstrong responds that he understands the Board's position and that in may be an incorrect decision. Mr. Armstrong explains who he was worked with DSU to correct the matter and that DSU has a broader interpretation of plagiarism.

Ms. Miller asked what relief is CK seeking.

CK addresses the Board. CK explains in detail the circumstances of the alleged plagiarism and his efforts with DSU to address the matter. CK also states that he did not grant the instructor permission to use his work as stated by Mr. Armstrong. CK also asked about the grievance committee and Ms. Noone explains the committee consisted of Don Burton, Caulyn Burton, Tyra Andrews and Bob Geiges. CK states the committee was made up three of the Burton family members and questions the membership.

CK states that there are other areas of unethical practices by DSU regarding finances. CK states that instructors were not getting paid and that Burton family member's personal expenses were being paid by corporate funds.

Mr. Rhude clarifies with CK that he did get paid, but that the payments were late. CK confirms he was paid, but late.

CK states that he believes the students enrolled in the class in which his work was used should be given refunds. Further discussion ensued.

Ms. Miller raised the question regarding other possible issues of management capability.

Ms. Noone stated the questions remain that the issue of alleged plagiarism was brought to the attention of DSU on multiple occasions and that it continued for a period of two years, that this may rise to the level of lack of management capabilities and unprofessional or dishonorable conduct of an employee of an institution. Discussion ensued.

Motion: Ms. Noone made the motion that the Board find a violation of A.R.S. § 32-3051(10) and A.R.S. § 32-3051(6) that allege plagiarism was reported and was not acted upon properly and issue a Letter of Concern and impose a fine of \$1,000.00. After discussion, Mr. Rhude seconded the motion.

Ms. Galvin clarified that the above motion assessing the penalty would be by a Consent Agreement.

Ms. Miller asked if these documents could be forwarded to the accrediting agency. Ms. Galvin stated the Board could request it be forwarded to the accrediting agency.

Ms. Miller requested the information be forwarded to the accrediting agency.

Motion passed.

V. Call to the Public

CK came forward and asked about the other complaints that were filed with his: H.L., K.T. and M.J. Ms. Stanfill responded that an email from K.T. was sent and that letters from H.L. and M.J. were also sent as a part of CK's complaint.

Ms. Miller raised the question that the other areas identified by H.L., K.T. and M.J. identified other areas of concerns and if those would not also be a question of management capabilities.

Ms. Galvin asked if the Board wished to go into Executive Session for legal advice.

Ms. Noone made a motion to go into Executive Session pursuant to A.R.S. § 38-431.03(A)(3). Ms. Miller seconded the motion and the motion carried.

Meeting recessed at 12:05 p.m.

Executive Session convened at 12:10 p.m. Ms. Helscher was unable to participate in the Executive Session (call terminated)

Executive Session ended 12:15 p.m.

Meeting reconvened at 12:20 pm.

Ms. Noone explained that the other individual's information was assumed to be in support of the Complaint filed by CK but there is nothing to preclude them from filing separate complaints.

An audience participant asked if there was a timeline to file a complaint.

Ms. Stanfill responded that there was not a timeline for filing non-student complaints.

VI. Board Business

A. Executive Directors' Report:

Ms. Stanfill highlighted from the Report that the Caregiver/Manager training programs (a total of 16) were no longer under the Board's jurisdiction as of July 18, 2011.

Ms. Stanfill also reported that Jason Pistillo has been appointed to succeed Mr. Dugan and that this is Mr. Rhude's last meeting as he will be succeeded by David Walser.

Ms. Helscher has also submitted her resignation but will continue to serve until her successor is chosen.

Ms. Stanfill also stated that the ATI/AAI matter that is identified on the Report will be scheduled for the Complaint Committee in September to determine to open a complaint.

Mr. Rhude noted that some of the licensees LOC with USDE have expired and need current information and the other actions by regulatory agencies may need to be updated. Ms. Stanfill stated she would get more current information as required.

B. 2012/2013 Budget:

Ms. Stanfill stated the Budget is due by September 1st and the budget request is the same as the legislative appropriation. Ms. Stanfill stated that 2011 revenue was significantly higher than in the past, due primarily to the 504 Supplementals submitted in order for the programs to be approved prior to the July 1, 2011 new federal regulations approval process.

Motion: Ms. Noone made the motion to approve the Budget and Master List. Ms. Leonard seconded the motion and the motion passed.

C. Executive Session: Personnel Matters pursuant to A.R.S. § 32-431.03(A)(1)

Regular Meeting Adjourned at 12:30 P.M.

Staff Members were excused.

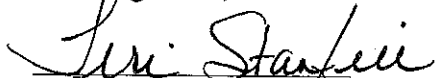
Executive Session Convened at 12:32 pm

Executive Session Adjourned at 12:40 pm

Motion: Mr. Rhude made a motion to approve the increases for Ms. Stanfill, Mr. Blanchard and Ms. Pinon as discussed in Executive Session. Ms. Noone seconded the motion and the motion passed.

ADJOURNMENT: The meeting adjourned at 12:43 pm.

The August 25, 2011 Board meeting minutes were approved at the 10.27.11 meeting.


Teri Stanfill, Executive Director