

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

**BOARD MEETING MINUTES**

**February 24, 2011**

Members Present: Scott Rhude  
Laura Palmer Noone  
KC Miller  
Trish Leonard

Also Present: Teri Stanfill, Director  
Jeanne Galvin, Assistant Attorney General  
Keith Blanchard, Deputy Director  
Cassandra Piñon, Board Secretary

**I. CALL TO ORDER – 10:00 A.M.**

Chair Laura Palmer Noone called the meeting of the Arizona State Board for Private Postsecondary Education Board Meeting, to order at 10:00A.M.

**II. BOARD MEETING MINUTES: January 27, 2011 Minutes:** Ms. Miller made a motion to approved the Regular Meeting Minutes. Mr. Rhude seconded the motion and the motion carried.

**III. STUDENT TUITION RECOVERY FUND: Claim filed by a former student of Northern Arizona Massage Therapy Institute**

Ms. Stanfill summarized the complaint filed by D.H., a former student of NAMTI. DH enrolled in NAMTI, Prescott Campus in January 2010. NAMTI closed a month later. DH made a down payment in the amount of \$500 by credit card. DH's student record verified the payments.

**Action:** Ms. Miller made motion to approve the claim filed by DH in the amount of \$500.00. Ms. Leonard seconded the motion and the motion carried.

**IV. LICENSING:**

**A. Supplemental License Application for a Change of Ownership: Arizona College of Allied Health**  
Represented by Nick Mansour and Larkin Hicks

Ms. Stanfill stated that Arizona College of Allied Health is an ABHES accredited institution and has been licensed by the Board since 10/1990.

Mr. Mansour responded to Mr. Rhude's questions regarding the financials. Mr. Rhude also stated the student information in the Agreement would need to be redacted.

**Action:** Mr. Rhude made a motion to approve the Supplemental License Application for a Change of Ownership. Ms. Leonard seconded the motion and the motion carried.

**B. Conditional to Regular Vocational Program License Renewals: Erenewable Resource Institute, LLC**

Ms. Leonard recused herself.

Due to the lack of a quorum, action on eRenewable Resource Institute could not be taken. It was determined that a Special Teleconference meeting would be scheduled for February 25<sup>th</sup> and ensure the 24 hour notice timeframe was provided.

**C. Conditional Vocational Program License Applications:**

**1. APO Community Services: Represented by Timothy Obong, Dr. Patience Obong and Dr. Joseph Parham**

Ms. Stanfill stated the Board considered the application at the December board meeting, but had several questions and concerns and postponed action pending further the submission of additional information.

Ms. Stanfill stated the Board had requested 10 additional items and that the applicant had provided all of the requested information.

Ms. Miller was lead and expressed her concern that the projections were unrealistic and asked how the program would be funded. Mr. Obong responded he has worked with Greater Phoenix Urban League in the past and has established relationships with other entities. Dr. Parham also stated the same. Mr. Rhude questioned the amount of the bond, but noted the students would be primarily funded through other state programs that reduce the Board's potential liability.

Ms Leonard noted several corrections were required regarding the entrance requirement, LOA/re-enroll policies and noted a typo in the marketing plan.

**Action:** Ms. Miller made the motion to approve the Vocational Program License application with the following stipulations: 1) maintain the \$15,000 Surety Bond; 2) revisions to the entrance requirements (Catalog, page 5), revise the LOA and re-enrollment policies (Catalog, page 15) and 3) correct the "Marketing and Promotion Plan" in the Business Plan. Ms. Leonard seconded the motion and the motion carried. Mr. Obong agreed to the stipulations.

**2. Dave's Astanga Yoga, dba Authentic Yoga Teacher Training: Represented by Cheryl Oliver**

Ms. Stanfill summarized the Report. Ms. Stanfill reported that on January 5, 2011 Staff had issued a Cease & Desist Order for offering the yoga teacher program without a license and that Mr. Oliver immediately suspended all teacher training and submitted the application on January 26, 2011.

Ms. Miller was the Board member lead. Ms. Miller noted on the enrollment agreement the term "rejected" and requested the term be revised. Mrs. Oliver also explained that offering of the classes, using an alternative schedule and tracking of hours. Mr. Rhude stated his concern that if the students did not understand the schedule, it may create a problem. Mr. Rhude suggested the students be informed to include having the student sign an acknowledgment.

Ms. Leonard asked about the students who were currently enrolled at the time of the Cease and Desist. Ms. Oliver explained there were 9 students, 7 who agreed to wait until licensure, and 2 were given full refunds.

**Action:** Ms. Miller made a motion to approve the Conditional Vocational Program license with the following stipulations and required revisions: 1. Maintain the \$15,000 Surety Bond; 2. replace the term "rejection" with "denial" in the Enrollment Agreement and Catalog. Mr. Rhude also suggested the student be advised in writing of the alternative schedule and tracking of hours. Mr. Rhude seconded the motion and the motion carried. Ms. Oliver agreed to the stipulations.

### **3. Inspection Training of Arizona: Represented by Keith Smith**

Ms. Stanfill summarized the Report. Mr. Rhude expressed concern regarding the .5 current ratio. Mr. Smith responded the home inspection business would be able to support the program if needed.

Ms. Leonard asked about the inspections. Mr. Smith responded to Ms. Leonard's concerns.

**Action:** Ms. Noone made a motion to approve the Conditional Vocational Program License Application with the stipulation that the \$15,000 Surety Bond be maintained. Ms. Miller seconded the motion and the motion carried. Mr. Smith agreed to the stipulation.

### **4. Gilbert Yoga: Represented by Cassandra Wallick**

Ms. Stanfill summarized the report. Ms. Stanfill also reported that Ms. Wallick had been informed this morning that the program had been approved by Yoga Alliance. Ms. Leonard was lead and noted revisions were required for the Admissions and Enrollment Policy and the Completion Requirements Policy.

**Action:** Ms. Leonard made the motion to approve the Conditional Vocational Program License application with the following stipulations: 1) Maintain the \$15,000 surety bond, 2) revise the Admission Requirements and Enrollment Policy, 3) revise the Completion Requirements Policy. Ms. Miller seconded the motion and the motion carried. Ms. Wallick agreed to the stipulations.

## **D. Regular Degree-Granting License Applications/Vocational Programs for Out-of-State Institutions:**

### **1. Chancellor University: Represented by Chris Burgess**

Ms. Stanfill summarized the Report stating this is the revised application for the out-of-state institutions with a physical presence in Arizona (call center) but not offering educational programs.

Ms. Noone was lead and requested Mr. Burgess respond to the Show-Cause issued by HLC and the HLC hearing today. Mr. Burgess explained that the action taken by HLC will not be known

for about a week. Mr. Burgess stated if the HLC action is an adverse action, Chancellor intends to appeal. The Board members expressed their concerns with the pending HLC action.

Mr. Rhude requested Mr. Burgess explain the financial status of the institution. Mr. Burgess explained that Chancellor University has been a well-respected institution in Ohio for many years. Chancellor has recently changed management and has made substantial progress over the last 6 months. Mr. Burgess also stated that the investors have stated they will continue to infuse cash until Chancellor is at the break-even point.

The Board members discussed the available actions. Ms. Stanfill explained that Chancellor University has been operating since June and at that time, licensure was not required. In November 2010, the Board determined that licensure was required for out-of-state institutions with a physical presence, but not offering the educational program. Ms. Stanfill explained that Staff then needed to make the necessary changes to the database, website and application.

**Action:** Ms. Noone made the motion to postpone action pending the outcome of the HLC hearing and to reschedule the application for the April meeting. Mr. Rhude seconded the motion and the motion carried.

It was explained to Mr. Burgess that the call center could continue to operate during this time due to the fact that Chancellor began operations in Arizona when licensure was not required.

**2. Miller-Motte College:** Represented by Jacob Mayhew

Ms. Stanfill stated that Miller-Motte College is also an out-of-state institution operating a call center only in Arizona.

Mr. Burgess responded to the questions of the Board regarding the \$840,000 bond in North Carolina and that Lamson students did not have access to the Miller-Motte location.

**Action:** Ms. Miller made a motion to approve the Regular Degree-Granting License application for Miller-Motte College to operate a call center only in the State of Arizona. Ms. Leonard seconded the motion and the motion carried.

**V. Call to the Public** – No one came forward.

**VI. Board Business:**

**A. Executive Director's Report:**

The Board reviewed the Executive Directors Report and requested Ms. Stanfill get an update from Everest College, LA College and Tucson College regarding the pending actions of their accrediting agencies. Ms. Stanfill also stated she had update the LOC's with the Department of Education.

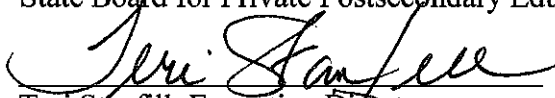
**B. Discussion, consideration and possible action relating to the delegation of authority to the Executive Director as it relates to complaints and assessing whether a complaint is within the jurisdiction of the board and the scope of such delegation pursuant to A.R.S. § 32-3003(B).**

Ms. Stanfill stated that Staff is seeking direction from the Board as stated in the Report. Ms. Galvin explained that the Board had granted Staff authority to determine jurisdiction in January, 2008, but explained that the Staff's interpretation and application of the board's authority should be clearly understood by both the Board and Staff.

The Board discussed the matter in depth. The Board determined that the Board and Staff understood the scope of their delegation as stated in the report (Report incorporated into the Minutes).

**VII. Adjournment:** The meeting adjourned at 12:02 P.M.

Minutes approved at the 4.28.11, 2011 meeting of the Arizona State Board for Private Postsecondary Education.

  
Teri Stanfill, Executive Director



## **Arizona State Board for Private Postsecondary Education**

**TO:** Members of the Board  
**FROM:** Teri Stanfill and Keith Blanchard  
**DATE:** February 24, 2011 Board Meeting  
**RE:** Discussion, consideration and possible action relating to the delegation of authority to the Executive Director as it relates to complaints and assessing whether a complaint is within the jurisdiction of the board and the scope of such delegation pursuant to A.R.S. § 32-3003(B)

### **Summary:**

In January 2008, Staff requested the Board to consider granting staff the authority to decide if a complaint was under the Board's jurisdiction. The Board's attorney at that time, Melissa Cornelius stated that staff has the authority pursuant to A.R.S. § 32-3003(B)(1) is granted the authority by the Board. The Board voted to grant the authority to the Executive Director.

At the request of the Board's Assistant Attorney General, Staff is seeking clarification and direction regarding the scope of authority granted to Staff pursuant to A.R.S. § 32-3003(B)(1), which reads "The Board may employ temporary or permanent personnel it deems necessary to carry out the purposes of this chapter and designate their duties. These duties may include considering and passing on license applications, considering and passing upon complaints or charges, making investigations, compelling attendance of witnesses and issuing official papers and documents."

During the past 2-years, staff has received or logged in many complaints, issues, questions or concerns by complainants against institutions licensed and regulated by the Board. Some of these matters are given an inquiry number and logged into an inquiry notebook and a complaint is not opened.

Some of these inquires are complaints submitted by students, but the student has failed to either complete the institutional grievance procedure or failed to submit the necessary documentation. All these matters are responded to and logged in as inquiries. In most instances, staff does not hear anything further from these complainants. Staff has and will usually forward the complaint to the school as a courtesy, but no other action is taken unless the complainant complies.

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There are two situations that staff would like to have you review regarding staff's investigation of complaints and submitting to the committee for review. None of these matters are student complaints and are all non-student issues.

First type of situation:

Institutional decision to hire and fire faculty  
Fired faculty submitting complaints regarding the schools hiring practice or failing to follow-up on promises for raises  
Specific payment of salaries to instructors or other institutional employees  
Business practices not related to education

These matters are logged in as inquiries. Staff has communicated to the complainant to determine the exact nature of these matters to determine if there are other issues.

Second type of situation:

Financial aid questions or issues regarding disbursement of Title IV and Pell grants  
Placement advertisements in the job section of jobing.com or other online advertising.  
Use of wording in advertisement "certification or accreditation" that may appear in an obscure website.  
Grade disputes  
Plagiarism

In these matters, staff will contact the institution and request a response and allow them to respond to the student or submit changes that will allow the school to be in compliance. Since we log these matters as inquires and if it is a specific issue that has been repeated, staff will open a complaint. If there is any question or concern that has not been addressed, or cannot be addressed, staff will open a complaint.

Based on the information listed above, Staff is requesting the Board's direction the Board determines that staff open any and all complaints/questions/concerns and investigate all these types of situations or would this situation be better served by Staff communication to the school and the complainant.