

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

AUGUST 22, 2013 BOARD MEETING MINUTES

Members present: Jason Pistillo, Chairman
Gary Damore Hank Radda
Trish Leonard Glen Tharp
KC Miller (by phone) David Walser

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

I. CALL TO ORDER

Chairman Pistillo called the meeting of the Arizona State Board for Private Postsecondary Education to order at 10:03 a.m.

II. June 27, 2013 BOARD MEETING MINUTES: Mr. Walser made a motion to approve the Minutes as submitted. Mr. Tharp seconded the motion and the motion carried.

III. LICENSING:

1. Supplemental License Application for a Change of Ownership: Tower Crane School.
Represented by Patrick Stafford

Ms. Stanfill summarized the Report for the Board. Mr. Walser was lead.

Mr. Walser asked Mr. Stafford to explain the reason for the Change of Ownership. Mr. Stafford responded that Mr. Gray retired.

Mr. Stafford responded to Mr. Walser's financial questions and the use of the crane from Stafford Cranes. Mr. Stafford also explained that new OSHA regulations that were to go into effect in 2014 requiring all crane operators be certified has now been delayed until 2017. Mr. Stafford stated this will be very helpful in increasing enrollments. Mr. Stafford also stated that Tower Crane is also approved by the VA.

Mr. Stafford responded to Ms. Leonard's questions regarding the current number of students and the exam fees.

Action: Mr. Walser made the motion to approve the Supplemental License Application for a Change of Ownership with the stipulation that the Surety Bond be maintained. Ms. Leonard seconded the motion and the motion carried. Mr. Stafford agreed to the stipulation.

2. Regular Degree-Granting License Application: Creighton University (CU). Represented by Dr. Donald Frey, VP of Health Sciences.

Ms. Stanfill summarized the Report for the Board. Dr. Damore was lead.

Dr. Damore had several questions and concerns:

1. Creighton University has been operating in Arizona since 2010. Dr. Frey responded frankly to Dr. Damore's concern and stated that Creighton University was prepared to make other steps if necessary, to include transferring the students back to the Omaha campus or providing full refunds.
2. Significant change in net worth. Dr. Frey responded that CU divested the physician practices.
3. The MD program is very expensive and asked about the default rate. Dr. Frey did not know the default rate, but did explain the discount rate and student debt.
4. Dr. Damore requested clarification on the complaint process.

Ms. Leonard stated that the Title IV refund policy was not in compliance with the federal regulations as the policy read "up to 60%", but it should be that no refund is due after the student has completed more than 60%. Ms. Leonard stated the policy must be revised.

Mr. Pistillo expressed his serious concern that since CU was operating in Arizona without a license, and as a result, the student loans would be ineligible. Mr. Frey explained that CU self-reported to the Kansas School Participating Division that CU was operating in Arizona without a license and that Kansas has indicated that a review of the matter would be conducted.

Action: Dr. Damore made a motion to approve the Regular Degree-Granting License Renewal with the stipulation that the Title IV refund policy be revised to be in compliance with federal regulations. Mr. Walser seconded the motion and the motion carried. Dr. Frey agreed to the stipulation.

3. Conditional Vocational Program License Applications:

A. Bellagio Clinic Laser Institute. Represented by Audra Wimmer.

Ms. Stanfill introduced this Agenda item and explained that the programs have been approved by the Arizona Regulatory Radiation Authority (ARRA). Ms. Miller was lead.

Ms. Wimmer responded to Ms. Miller's request to explain the facility that would be offering the program. Ms. Miller expressed her concerns with the programs that a graduate may not be able to become employed. Ms. Wimmer responded that one of the programs is specifically for a health care professional and the other two programs are the pre-requisites in becoming a Laser Technician approved by the ARRA.

Several Board members expressed the concern and confusion on the programs and the ability of a graduate to become employed. The members concurred that the didactic and the hands on should be offered as one program or clarify that the didactic classes and the hands on class are both required for the students without prior experience.

Mr. Pistillo expressed his concern with the projections.

Action: Ms. Miller made a motion to approve the Conditional Vocational Program License Application with the stipulation that the \$15,000 Surety Bond be maintained. Mr. Tharp seconded the motion. The Board members discussed the problems with the two programs if someone does not have prior experience. Ms. Miller amended her motion: The 40 Hour Didactic training and the 48 Hours Hands on Training be combined for one program for students without prior training. Mr. Tharp seconded the amended motion and the motion carried. Ms. Wimmer agreed to the stipulations.

B. Grifols School of Plasmapheresis. Represented by Paula Schultz, Associate Ex. Director and Beth Eacret, Executive Director by phone.

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

Mr. Tharp requested the applicant to explain the planned operations. Ms. Schultz explained that until now, Grifols has only been training their employees and hopes to now offer this program to the public.

Ms. Schultz responded to Mr. Tharp's questions regarding the program and if the proposed program is sufficient for someone to be employed, especially if the student does not have prior experience in this industry. Ms. Eacret responded and explained the industry very specific and small and stated that many in the industry have expressed interest.

Mr. Walser expressed his concern regarding the admission requirements.

Dr. Radda asked if there is practical experience in the lab in this program. Ms. Schultz explained there is observation only.

Action: Mr. Tharp made the motion to approve the Conditional Vocational Program License with the stipulation that the \$15,000 Surety Bond be maintained. Mr. Pistillo seconded the motion and the motion carried. Ms. Shultz agreed to the stipulations.

C. Lifetime Academy. Represented by Kathy Gagnon, by phone.

Ms. Stanfill summarized the Report for the Board and explained her concerns with the admission requirements for the programs. Ms. Stanfill stated that Ms. Gagnon responded to the concerns and a copy of the response and revised documents had been provided to the Board members. Mr. Tharp was lead.

Mr. Tharp asked Ms. Gagnon to explain the planned operations. Ms. Gagnon provided a summary of the programs.

Mr. Tharp questioned that the programs did not require the student to be a Certified Personal Trainer in order to enroll. Ms. Gagnon responded and explained that the graduates can be employed as trainers for the specialties if they are not a Certified Personal Trainer.

Mr. Tharp questioned the Externship Responsibilities; specifically that it was the student's responsibility to secure an externship site. Ms. Gagnon stated that was not the intent that it is solely the student's responsibility. Mr. Tharp requested this concern be addressed.

Mr. Tharp asked if there was an explanation to the legal actions as it was not in the application. Ms. Stanfill stated she would confirm that the explanation is in the main institutional file.

Mr. Tharp expressed his concern that the marketing materials provide earning potentials without referencing the source for the data. Mr. Pistillo concurred that this could cause a potential problem.

Action: Mr. Tharp made a motion to approve the Conditional Vocational Program License with the stipulations that the \$15,000 Surety Bond be maintained, remove the reference to earning potential in the marketing materials if an independent source is not identified and confirmation that the legal actions are not significant. Dr. Radda seconded the motion and the motion carried. Ms. Gagnon agreed to the stipulations.

D. True Vinyasa Yoga Teacher Training. Represented by Patrician Callahan.

Ms. Stanfill introduced this agenda item. Ms. Miller was lead.

Ms. Miller asked Ms. Callahan to explain the prior change of ownership and change of name. Ms. Callahan briefly explained the 2011 litigation and settlement. Ms. Miller also requested Ms. Callahan explain her experience in running a school.

Mr. Walser had questions on the financial statements regarding the "Summit" capital account. Ms. Callahan explained the Judge's order and that the capital account will be written off as a bad debt.

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

IV. Call to the Public: No one came forward.

VI. Board Business:

1. Executive Director's Report: Ms. Stanfill summarized the report. Ms. Stanfill also stated that the "SARA" agreement has not yet been issued and reported on the discussions at the ACPE meeting regarding SARA. Ms. Leonard asked about the pending HLC action against the University of Phoenix/Western International University. Ms. Stanfill explained that both institutions will provide the Board with current updates.

2. Review of the Everest Quarterly Reports. Elaine Raker represented the institution. Ms. Stanfill reported that HLC was not requiring a September 30th or subsequent reports until re-accreditation visit and action has been taken. Ms. Raker also provided a brief summary.

Ms. Pistillo expressed his concern with the retention rates. Ms. Raker explained the calculation of the retention rates and the Comprehensive Retention Initiative (CRI) that has been implemented to improve retention. The Board members discussed both the retention and placement rates.

The Board directed Everest to submit for review at the October 2013 meeting the following: Placement rates for the current cohort for October 2012 to September 2013; retention rates for the same and information on the CRI.

3. 2014/2015 Budget, Master List and Strategic Plan.

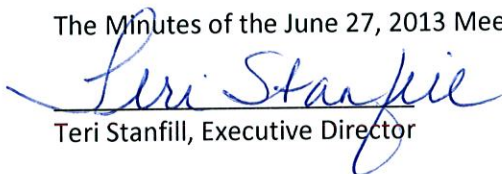
Ms. Stanfill summarized the 2014/2015 budget, master list and strategic plan. Dr. Damore, referencing the strategic plan, asked about the non-student complaint process. Ms. Stanfill explained the Board receives non-student complaints and there has not be a process in place and the Rules Committee is currently addressing this issue.

Action: Dr. Damore made a motion to approve the 2014/2015 Budget, Master List and Strategic Plan as presented. Mr. Walser seconded the motion and the motion carried.

IX. Adjournment

Chairman Pistillo adjourned the meeting at 12:03 p.m.

The Minutes of the June 27, 2013 Meeting were approved at the October 24, 2013 meeting.


Teri Stanfill, Executive Director