



Regular Meeting Minutes

March 22, 2016 – 1:00pm-3:00pm

Rio Salado College – Da Vinci Conference Room (6th Floor)

Members

Joel Hauff, University of Arizona, Chair	X
Hank Radda, Grand Canyon University, Vice-Chair	X
Janelle Elias, Rio Salado College	X
Patricia Feldman, Arizona State University	X
Shari Miller, Northern Arizona University	X
Mary Gilliland, Central Arizona College	Ⓢ
Michael Amick, Pima Community College	Ⓢ
Teri Stanfill, Arizona State Board for Private Postsecondary Education	X

Others Present

Lanna Dueck, AZ SARA Council Executive Director	X
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- I. **CALL TO ORDER:** Chairman Hauff called the meeting to order at 1:00 P.M.

- II. **CALL TO THE PUBLIC:** Public input is encouraged. *Presentations must be limited to five minutes. In order to complete the agenda, the Chair may limit the number of speakers at any given meeting. Please be aware, however, that the Council may not discuss, consider or take action at this meeting on any item not appearing on its Agenda.*
 Mr. Hauff opened the call to the Public. No individuals from the public were present at the meeting.

- III. **EXECUTIVE SESSION:** Mr. Hauff motioned that the Executive Session be moved to the front of the meeting. Mr. Radda seconded and the motion carried. Moved into Executive Session at 1:03 P.M.
 - A. **LEGAL UPDATE: STATUS OF COUNCIL AS A PUBLIC BODY**
 - B. **ARIZONA STATE BOARD FOR PRIVATE POSTSECONDARY UPDATE**

Executive Session closed at 1:32 P.M. Regular Session resumed at 1:34 P.M.

IV. COUNCIL MEETING MINUTES

FEBRUARY 18TH, 2016 REGULAR MEETING MINUTES: Mr. Hauff introduced the minutes. Approved with minor edits as recommended by Ms. Stanfill.

Motion to Approve: Ms. Miller
Second: Ms. Stanfill
Vote: 8-0-0

V. INSTITUTIONAL RENEWALS

- a. **ARIZONA STATE UNIVERSITY:** Patty Feldman represented the institution. Ms. Stanfill had a general question about the complaint process and disclosure requirements. She noted in the application that there were several entities to whom the student could lodge a complaint in addition to SARA, the Arizona State Board, as well as other states regulatory agencies and expressed that this may be confusing to students. Ms. Dueck clarified that the complaint disclosures were federal requirements that exceeded both SARA's and the AZ State Board and that institutions must comply with their disclosure.

Motion to Approve: Ms. Miller
Second: Mr. Radda
Vote: 7-0-1 (Ms. Feldman)

- B. **GRAND CANYON UNIVERSITY:** Hank Radda represented the institution. Ms. Miller asked for clarification on the date of publication for the SARA complaint process. The provided date was well beyond the required date. Mr. Radda explained that the college had not published the SARA complaint information until 3.18.2016. Ms. Dueck added that GCU was not the only institution that had not originally complied with the SARA complaint publication and that the renewal verification process had proved to be a beneficial reminder and accountability measure for institutions. GCU's complaint process as updated meets SARA requirements. Mr. Hauff reviewed the financials indicating that they are strong.

Motion to Approve: Ms. Stanfill
Second: Ms. Feldman
Vote: 7-0-1 (Mr. Radda)

- C. **NORTHERN ARIZONA UNIVERSITY:** Shari Miller represented the institution and noted in her introductory comments that there has been significant change at the university as the new president comes to the completion of her first year on campus. No changes impact SARA requirements.

Motion to Approve: Ms. Stanfill
Second: Ms. Elias

Vote: 7-0-1 (Ms. Miller)

- D. PRESCOTT COLLEGE:** Dr. Loren Thomas represented the institution. Ms. Feldman asked Mr. Thomas if all programs were offered as hybrid programs. Mr. Thomas explained that all programs have some hybrid component. Ms. Miller asked for clarification on the disparity in gross tuition revenue between the two financial reports. Mr. Hauff clarified that the difference was due to the timing of the reports. One encompassed a whole year while the other represented current financials to date. Mr. Thomas agreed with this response. Mr. Hauff also commented on the strong financials demonstrated in both reports.

Motion to Approve: Ms. Feldman

Second: Ms. Miller

Vote: 8-0-0

- E. RIO SALADO COLLEGE:** Janelle Elias represented the institution. Ms. Elias commented that she is new to the institution and that the SARA application was prepared and submitted prior to her arrival however, she would gladly answer any questions. No substantive changes in institution or application requirements.

Motion to Approve: Ms. Miller

Second: Mr. Radda

Vote: 7-0-1 (Ms. Elias)

- f. SONORAN DESERT INSTITUTE:** Mr. Feeney represented the institution. Additionally, Traci Lee, SDI Vice President of Operations, and Chris Caraway, Brighton College Vice President of Marketing also were present. Mr. Hauff asked when completed audited financials would be available. Mr. Feeney stated they anticipate the financials being available no later than the end of April and will be provided to AZ SARA upon completion. Ms. Stanfill asked Ms. Dueck why the Equity position was not entered into the profile. Ms. Dueck explained that it was not included as the completed audited financials had not been provided. Ms. Stanfill asked how long the institution has been offering Title IV aid. Mr. Feeney responded since January 2015. Mr. Amick stated he was unfamiliar with the institution's accreditor, Distance Education Accrediting Commission. Ms. Dueck commented that it is one of the national accrediting agencies and meets SARA requirements. Ms. Miller posed the question on approving an institution without updated audited financials. Mr. Hauff expressed that institutions could be reviewed on a case by case basis and although audited financials were not available, the institution did provide current financials that do not demonstrate a SARA concern. Ms. Miller expressed that this be solely on a case by case basis and not precedent setting. Ms. Stanfill added that the AZ State Board follows this same case by case approach.

Motion to Approve: Ms. Feldman

Second: Ms. Elias

Vote: 8-0-0

- G. UNIVERSITY OF ARIZONA:** The institution was represented by Joel Hauff. No substantive changes at the university in relation to SARA requirements.

Motion to Approve: Ms. Miller

Second: Ms. Stanfill

Vote: 7-0-1 (Mr. Hauff)

- H. UNIVERSITY OF PHOENIX:** Mr. Austin Rhodes and Ms. Bridget Lovett represented the institution. Ms. Miller asked to comment on the acquisition of the institution. Mr. Rhodes explained that Apollo Education Group, the parent company of University of Phoenix, is being acquired by a group of investors including The Vistira Group, Apollo Global Management, and Najafi Companies. Apollo Global Management is not affiliated with Apollo Education Group. The acquisition is anticipated to be completed by August 31, 2016. The University does not anticipate substantial changes related to the acquisition that will impact SARA requirements. Mr. Hauff requested comment on the apparent financial losses the University reflects in its financial statements. Mr. Rhodes explained that the institution is refocusing on its online offerings with strategic tapering down of in-person offerings. Ms. Lovett added that the enrollment losses are nearing the leveling-off point which will result in a new enrollment baseline for the institution. The University is also focusing on building programs that are highly relevant to the workforce and growing its large employer partnership base.

Motion to Approve: Mr. Radda

Second: Ms. Stanfill

Vote: 7-0-1 (Ms. Elias)

- I. WESTERN INTERNATIONAL UNIVERSITY:** Mr. Austin Rhodes and Ms. Bridget Lovett represented the institution. Mr. Radda questioned the acceptance of financials submitted by a parent company, in this case Apollo Education Group. Mr. Rhodes commented that both the University of Phoenix and WEST have independent financials and Ms. Stanfill added that the publication timeline of the independent financials is off-cycle with the AZ SARA renewal timeline. Mr. Hauff requested that independent financials be provided for the next review cycle. Mr. Rhodes agreed. Mr. Rhodes added that WEST does operate at a small loss and some costs are shared by its sister institution. Ms. Lovett described the institution as small with a focus on business and global education. The University recently changed its program offering model at a lower price point. Mr. Radda asked if the institution was approved to offer Competency Based Education and Mr. Rhodes explained that the university was not yet approved.

Motion to Approve: Ms. Elias

Second: Mr. Radda
 Vote: 8-0-0

VI. INTRODUCTIONS AND WELCOME TO NEW COUNCIL MEMBERS: Mr. Hauff introduced new Council member Janelle Elias, Associate Dean of Institutional Integrity for Rio Salado College. Ms. Elias replaces Shannon McCarty as representation for the Community College Sector.

VII. EXECUTIVE DIRECTOR’S REPORT

A. BUDGET UPDATE: The budget was presented to the Council in meeting materials. Ms. Dueck informed the Council that the Maricopa Community College’s transition to its new financial management system (FMS) is still in process. Therefore, budget information is being tracked manually as system budget reports are not available during the transition. Salary and benefits are not included in the manual tracking as it has not been possible thus far to extract this data from the new system. Salary and benefits, however, were set by the Council at its 6.23.16 meeting. Ms. Dueck continues to meet with Rio Salado College’s Business Services office to manage the Council budget. Current total fees deposited equal \$390,000 and total expenses incurred (minus salary and benefits) equal \$3,120 with a balance of \$386,880. Mr. Hauff expressed that given the health of the budget, it is time for the Council to review its fee structure with the possibility of a reduction for Year 3 renewals. Ms. Dueck will provide a review with recommendations at the September 29th meeting. Ms. Stanfill also noted that the State Board for Private Postsecondary Education accepts donations and Ms. Miller noted the possibility of establishing an AZ SARA scholarship. Further discussion on the fees will take place at subsequent meetings.

B. STUDENT COMPLAINTS: Ms. Dueck provided the Council with an update on student complaints.

Date	Submission Type	Institution	Met SARA Criteria	Referred to Institution	Resolution from Institution*	Reported to NC SARA
2.4.16	Complaint Form	University of Phoenix	No	No	N/A	No
2.19.16	Phone Call	Grand Canyon University	No	Yes	2.25.16	No
3.15.16	Phone Call	University of Phoenix	No	Yes	3.16.16	No

*RESOLUTION FROM INSTITUTION INDICATES EXECUTIVE DIRECTOR RECEIVED SATISFACTORY FOLLOW-UP FROM INSTITUTION.

C. NC SARA UPDATES

- i. **MILITARY LANGUAGE POLICY UPDATE:** Ms. Dueck provided the Council with a Memorandum from NC SARA Executive Director, Marshall Hill, regarding a potential NC SARA Policies and Standards language update. At the annual NC SARA meeting in May 2015 a language discrepancy between the Policies and Standards and the Unified Agreement was brought to NC SARA's attention. This discrepancy may result in an update to the Policies and Standards. Full detail on the potential update can be referenced in the memo. Ms. Dueck expressed to the Council that NC SARA sent the suggested language update to various stakeholders including the regional compacts for SARA. Ms. Dueck strongly supports the suggested language update as it reflects the original intention of SARA however, many others have expressed concern with the update. Ms. Dueck urged the Council to support the language and indicated that her review and support has been forwarded on to Dr. Bustamante who sits on the NC SARA Council.
- ii. **STATE AUTHORIZATION NETWORK/NC SARA WORKSHOP IN JUNE:** Ms. Dueck communicated to the Council that the State Authorization Network (SAN) will be hosting an Advanced Workshop on state authorization focusing on professional licensure and SARA implementation. Ms. Dueck urged the organizers to include not only the NC SARA perspective but also the State Portal Agency (SPA) voice in the presentation. This was well received by the organizers. Ms. Dueck and Ms. Miller were both mentors at the last SAN workshop and were able to provide mentorship for various institutions and represent SARA on a national front.
- iii. **STATE STATUS: GENERAL UNDATE & WISCONSIN HIGHLIGHT:** Ms. Dueck provided the Council with the latest copy of SARA state status as published by NC SARA. Of note was the addition of legislation passed in Wisconsin to become a SARA state. Additionally, the Wisconsin State Portal Agency will be formed from representatives of the various higher education sectors, a model which is becoming known as the Arizona model.

D. INSTITUTION VISITS:

- I. UNIVERSITY OF PHOENIX- 3.3.16
 - II. WESTERN INTERNATIONAL UNIVERSITY- 3.3.16
- Ms. Dueck visited both the University of Phoenix and Western International University on March 3rd and was hosted by Mr. Rhodes and Ms. Lovett. The visit included tours of both institutions. Additionally, meetings were held with the institution's Provost's, Meredith Curley and Christopher Davis respectively, and other institutional representatives.

III. RIO SALADO COLLEGE- 3.14.16

Ms. Dueck met with Ms. Elias, new Associate Dean at Rio Salado College. Together they reviewed the history of the national landscape and the specific history of the AZ SARA Council in addition to Council member responsibilities.

E. NEXT COUNCIL MEETING: 5.24.16 @ 10:30 AM. RENEWAL INSTITUTIONS TO BE REVIEWED

- I. HARRISON MIDDLETON UNIVERSITY
- II. PIMA MEDICAL INSTITUTE
- III. NATIONAL PARALEGAL COLLEGE
- IV. COCHISE COLLEGE
- V. SESSIONS COLLEGE

VIII. ADJOURNMENT: The Meeting of the Arizona SARA Council Adjourned at 3:02 PM.

Action Items

1. Conflict of Interest and Non-Disclosure/Confidentiality Statement

Update: 3.22.16 meeting: Legal provided update on status of public body that will determine next steps to include minor updates of the IGA.

Update at 10.20.15 meeting: Action Item held until Council status as public body is determined.

Original Action Item from 6.23.15 Council meeting: The Council needs to establish a clear conflict of interest policy and a possible statement of non-disclosure/confidentiality. Shari Miller agreed to work on these items.

2. Visual Graphic Representation of NC SARA, AZ SARA, States, Institutions, Cycle & Responsibilities

As requested by Mr. Radda, Executive Director will develop mock-up and work with Graphic Designer to create visual graphic.

3. Review AZ SARA Fee Structure

Ms. Dueck will review the fee structure and provide several recommendations on a new structure for Council review at the September 2016 meeting.