



Regular Meeting Minutes

March 21, 2017 – 10:00 A.M.-12:00 P.M.
Rio Salado College – Conference Rooms Red and Green

Members

Joel Hauff, University of Arizona, Chair- Arizona Board of Regents (ABOR)	X
Janelle Elias, Rio Salado College- Arizona Community College Coordinating Council (AC4)	X
Patricia Feldman, Arizona State University- Arizona Board of Regents (ABOR)	X
Shari Miller, Northern Arizona University- Arizona Board of Regents (ABOR)	X
Michael Amick, Pima Community College- Arizona Community College Coordinating Council (AC4)	①
Teri Stanfill, Arizona State Board for Private Postsecondary Education (AZPPSE)	X
Stacey Hilton, Dean of Computer Technologies and Instructional Support, Yavapai College (AC4)	X
Jennifer Lech, AZPPSE & Senior Vice President of Academic Affairs, Grand Canyon University	X
Paul Mittman, AZPPSE & President & CEO, Southwest College of Naturopathic Medicine & Health Sciences	X

Others Present

Lanna Dueck, AZ SARA Council Executive Director	X
Janea Byrne, Northern Arizona University (Guest of Ms. Miller)	X

- I. **CALL TO ORDER:** Chairman Hauff called the meeting to order at 10:04 A.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. COUNCIL MEETING MINUTES

JANUARY 24TH, 2017 MEETING MINUTES AND

OCTOBER 12TH, 2016 VIRTUAL MEETING MINUTES: Mr. Hauff introduced the minutes.
Approved as submitted.

Motion to Approve: Ms. Stanfill

Second: Ms. Elias

Vote: 9-0-0

IV. INSTITUTIONAL RENEWALS

- A. ARIZONA STATE UNIVERSITY:** Patty Feldman represented the institution and provided a brief institutional update.

Motion to Approve: Ms. Miller

Second: Ms. Stanfill

Vote: 8-0-1 (Ms. Feldman)

- B. GRAND CANYON UNIVERSITY:** Jennifer Lech represented the institution and provided a brief institutional update.

Motion to Approve: Ms. Feldman

Second: Ms. Elias

Vote: 8-0-1 (Ms. Lech)

- C. NORTHERN ARIZONA UNIVERSITY:** Shari Miller represented the institution and provided a brief institutional update.

Motion to Approve: Ms. Elias

Second: Ms. Lech

Vote: 8-0-1 (Ms. Miller)

- D. PRESCOTT COLLEGE:** Cathy Church represented the institution and provided a brief institutional update. Ms. Miller inquired about the decrease in net tuition revenue. Ms. Church responded that enrollment has declined. Ms. Miller asked for clarification on the location of the complaint process on the institution's website as it could not be located via a Google search. Ms. Dueck explained that not all complaint pages for SARA institutions can be found via Google search however, each one is checked to ensure that the page is live on the institution's website. Mr. Mittman asked if all institutional offerings were hybrid or were some one hundred percent online. Ms. Church explained that currently all offerings are hybrid with new completely online offerings opening in Fall 2017.

Motion to Approve: Ms. Feldman

Second: Ms. Miller

Vote: 9-0-0

- E. RIO SALADO COLLEGE:** Janelle Elias represented the institution and provided a brief institutional update. Ms. Dueck asked for an update on the Educational Partnerships Faculty Hiring Qualifications due to HLC in March 2017. Ms. Elias responded that the report was submitted ahead of the deadline with included documentation on a more robust qualifications documentation process for faculty hiring. Mr. Hauff inquired about the impact of the institution's acquisition of the Maricopa Corporate College, MCOR. Ms. Elias explained that this is more accurately described as a reabsorption of MCOR into Rio Salado College as it previously was housed within RSC. The focus is on non-credit education and MCOR does not offer distance education.

Motion to Approve: Ms. Lech
Second: Ms. Feldman
Vote: 8-0-1 (Ms. Elias)

- F. SONORAN DESERT INSTITUTE:** Mr. Caraway and Mr. Feeney represented the institution and provided a brief institutional update. Mr. Mittman requested more information about the Profit & Loss in the 2016 financials reflecting nine million total with six million allocated to the Firearms program. Mr. Feeney explained that the Firearms program is the institution's primary program with Advanced Gun Smithing as the second. Mr. Mittman followed-up with a question about the mailing of hazardous materials. Mr. Feeney stated that the institution carries insurance for these scenarios and that lab work is performed on firearm components only rather than a complete unit. Ms. Lech asked if students are required to undergo a background check to which Mr. Feeney explained that because students work only on components, it is not considered handling of a firearm so no background checks are necessary. Ms. Hilton inquired about admissions requirements and overall enrollments. The program does not have admissions requirements and the institution has approximately 1,000 enrollments. Ms. Stanfill asked for more information on the institution's Title IV status. Mr. Feeney explained that 2016 was the institution's first year participating and he will forward the documents to Ms. Stanfill. Ms. Lech wanted to know what the career paths are for graduates to which Mr. Feeney stated employment in a gun shop, but that many graduates are also hobbyists.

Motion to Approve: Mr. Mittman
Second: Ms. Miller
Vote: 9-0-0

- G. UNIVERSITY OF ARIZONA:** Joel Hauff represented the institution and provided a brief institutional update.

Motion to Approve: Mr. Mittman
Second: Ms. Stanfill

Vote: 8-0-1 (Mr. Hauff)

- H. UNIVERSITY OF PHOENIX:** Mr. Austin Rhodes and Ms. Bridget Lovett-Beville represented the institution. Focus was given to the parent change of control with details provided regarding the merger process and approval from the US Department of Education, The Higher Learning Commission and the Arizona State Board for Private Postsecondary Education. Mr. Rhodes added that no major administrative changes are anticipated as a result of this change. Ms. Miller requested more information on the College for Financial Planning. Ms. Lovett-Beville indicated that this institution is a small subsidiary located in Denver, CO. Ms. Lech inquired as to the significant decrease in the institution's default rates over the past years. Ms. Lovett-Beville responded that the institution has been very focused on assessment, retention and admission standards along with curriculum updates that attract students that are more qualified and likely to succeed. Ms. Miller asked if there is an anticipated change in the institution's financial status to which Mr. Rhodes indicated that the institution has already undergone what it believes to be its major decline in enrollment and subsequent recalibration. Ms. Lovett-Beville added that the institution currently sits at approximately 175,000 students and is in year two of a five-year strategic plan with a focus on growth from the new parent company. Mr. Hauff inquired as to the drop in the institution's financial index score which is currently 1.8 and if there were any indications for next year's score. Ms. Lovett-Beville noted that fiscal projections are on track and that the new parent company has the ability to invest significantly in the institution were it necessary to meet the needed financial score for SARA, although this is not anticipated. Mr. Hauff asked to please inform the Council in advance if the score is anticipated to drop so it can appropriately prepare. Ms. Lovett-Beville closed stating that one of the benefits of the acquisition is that the institution is now privately held.

Motion to Approve: Ms. Lech

Second: Mr. Mittman

Vote: 8-0-1 (Ms. Elias)

- I. WESTERN INTERNATIONAL UNIVERSITY:** Mr. Austin Rhodes and Ms. Bridget Lovett-Beville represented the institution. Mr. Rhodes indicated that the change of parent control discussed for the University of Phoenix is the same change for WEST. Additionally, on March 9th the Board made the decision to teach-out the institution. WEST is working with both the Higher Learning Commission and the Arizona State Board for Private Postsecondary Education on approval and details for the teach-out plan. Ms. Lovett-Beville added that WEST students are 100% online and the institution is committed to teaching out all students. The plan will mirror the teach-outs already in place for the University of Phoenix ground operations. HLC is favorable as these teach-outs have been progressing positively. Ms. Stanfill added that the Arizona Board's experience with this institution and teach-outs is positive. They have been efficient with zero student complaints. Ms. Elias inquired as to the anticipated timeline. Mr. Rhodes

indicated the minimum timeframe will be until 2019. Ms. Lovett-Beville stated the teach-out plans will be provided to the AZ SARA Council once they are completed. Ms. Lech asked about WEST staff during the transition process. Ms. Lovett-Beville noted the institution is offering packages to retain some staff. Ms. Miller wanted to know what institution students will graduate from that participate in the teach out. Mr. Lovett-Beville stated they will graduate from WEST unless they elect to transfer to the University of Phoenix.

Motion to Approve: Ms. Stanfill

Second: Ms. Hilton

Vote: 9-0-0

V. EXECUTIVE DIRECTOR'S REPORT

A. BUDGET UPDATE: The budget was presented to the Council in meeting materials. Ms. Dueck continues to meet with Rio Salado College's Business Services office to manage the Council budget. Current total fees balance is \$423,786 and expenses incurred total \$104,069 with a balance of \$319,717. Ms. Dueck updated the Council budget to a July-June Fiscal year calendar departing from the March-April calendar year that had been originally used when the Council originated. The Council budget will follow a July-June Fiscal year calendar moving forward. This aligns with the calendar used by Rio Salado College. Mr. Mittman requested clarification on the Health Benefits/Cell Phone budget line. Moving Forward, the Cell Phone budget line will be separated from the Health Benefits line.

B. STUDENT COMPLAINTS: Ms. Dueck provided the Council members with a summary of complaints received between September 26, 2016 and January 20, 2017. Two complaints were documented. No complaints constituted review by the Council per NC SARA policy.

C. NC SARA UPDATE:

I. FEDERAL FINANCIAL RESPONSIBILITY RATING: The Federal Financial Responsibility Rating, also known as the composite score, is the financial criteria used by NC SARA to determine financial stability and eligibility for SARA participation. An AZ SARA Council approved institution has indicated that its composite score may fall below SARA criteria at its next renewal in September 2017. This would render the institution unable to participate in SARA. AZ SARA has a site visit with the institution on April 10th. AZ SARA is also drafting a letter to W-SARA and NC-SARA regarding the use of the composite score and is encouraging SARA to form a committee to review NC SARA policy and research alternative financial review methodologies. Early discussions with SARA appear favorable to the creation of a committee.

- II. **NON-CREDIT/THIRD PARTY ACTIVITY AND SARA POLICY UPDATE:** AZ SARA communicated its concern to NC SARA regarding the interpretation the Council received at its January meeting concerning non-credit and third party activities. NC SARA agreed to review the current policy language and issue an update to clarify its intent in relation to non-credit.
- III. **DATA ENROLLMENT POLICY UPDATE:** On February 9th, NC SARA convened a committee to review its data enrollment policy. The outcome of this review includes the following policy changes/clarifications:
- Reporting will be for “actual enrollment numbers” – no cell size limits.
 - Institutions will report the same numbers they report to IPEDS for reporting of distance education.
 - An “Explanation” field will be added to explain anomalies or other comments.
 - Reporting of enrollments in experiential learning will not be collected in 2017. HOWEVER, such reports will be suggested for 2018 and mandatory for 2019.
 - Consequences for failure to report will be developed.
 - NC-SARA will release a new 2017 NC-SARA Reporting Guide in the near future.
 - Reporting is in May 2017.
- IV. **NC-SARA PORTAL AGENCY ENTITY ANNUAL MEETING:** The SARA Annual Meeting for all state portal entity leaders (and all SARA staff) is Sept. 6-8 in Austin, TX. For the first time, SARA is allowing each state to send 2 representatives. Chair Hauff and Executive Director Dueck will be in attendance representing the AZ SARA Council.

D. INSTITUTION VISITS:

- I. **NATIONAL PARALEGAL COLLEGE- 2.3.17**
- II. **PIMA MEDICAL INSTITUTE- 2.16.17**
- III. **PRESCOTT COLLEGE- 3.3.17**

E. OPERATING AGREEMENT REVIEW: Reviewed updated Operating Agreement. Discussed Mr. Hauff’s recommendations. Council agreed the Operating Agreement may be updated and released on the AZ SARA website with Ms. Dueck’s and Mr. Hauff’s updates as provided.

F. AZ SARA COUNCIL ELECTIONS

- I. **CHAIR:** Mr. Hauff was elected to serve as Chair of the Arizona SARA Council for two-year term.

Motion to Approve: Ms. Stanfill

Second: Ms. Elias
Vote: 8-0-1 (Mr. Hauff)

- II. VICE-CHAIR:** Ms. Lech was elected to serve as Vice-Chair of the Arizona SARA Council for two-year term.

Motion to Approve: Mr. Mittman
Second: Mr. Hauff
Vote: 8-0-1 (Ms. Lech)

- G. AZ SARA FORUM:** Ms. Dueck updated the Council with Forum logistics, a draft agenda and draft budget.

Logistics:

Date: Monday, May 22nd, 2017

Location: Rio Salado Conference Center

Hotel: Provided by AZ SARA for out-of-town Council members for the night of May 21, 2017

Speakers Dinner: Dinner with Chair, Vice-Chair and ED night of May 21, 2017

Speakers:

- Russ Poulin-Director, Director of WCET Policy and Analysis
- Marshal Hill- Executive Director, NC SARA
- Jeanne Yockey-Fine- State Regulatory Services Advisor, Cooley LLP

Draft Agenda: Forum will start at 10 A.M and close at 3:30 P.M. It will include networking and opportunities for participants to dialogue and engage with each other and the presenters. The agenda will be updated to include a session for Ms. Miller.

Draft Budget: Estimated budget is approximately \$9,315. Attendees are set at 60 participants. More or less attendees will be the most significant changes to the estimated budget.

- H. NEXT COUNCIL MEETING:**

5.23.17 @ 10:00 AM. RENEWAL INSTITUTIONS TO BE REVIEWED

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

- VI. ADJOURNMENT:** The Meeting of the Arizona SARA Council Adjourned at 11:56 P.M.