

State Board of Proprietary Schools

North Carolina Community Colleges System Office

State Board Room, Raleigh, NC

November 6, 2015

10:00 a.m.

CALL TO ORDER

Following proper public notification, Dr. John Pettitt called the meeting of the State Board of Proprietary Schools to order at 10:00 a.m.

Members present: Scott Aaron, John Dodson, Frank Emory, Kuburat Ganiyu, John Pettitt, Ashley Wallace and Victor Riley.

Also present: Scott Corl, Executive Director of Office of Proprietary Schools; Rasheeda McAllister, Program Auditor for Office of Proprietary Schools; Q. Shanté Martin, General Counsel of Community College System (Telephonic).

ETHICS AWARENESS & CONFLICT OF INTEREST

Mr. Aaron reminded Board members of the ethical requirements for those who serve as public servants and requested that members identify any conflicts or potential conflicts of interest that they may have with respect to any item on the agenda. Mr. Riley advised the Board of potential conflicts with schools located in Charlotte and that he would abstain from consideration of DA Academy of NC, Kaplan College, Iron Yard –Charlotte and Unity Nursing Institute.

ELECTION OF OFFICERS

Mr. Pettitt opened the floor for nominations for a new Board Chair. Mr. Wallace made a motion to nominate Mr. Aaron for Chair. Ms. Ganiyu seconded. Mr. Pettitt asked for any additional nominations or for a motion to close nominations for Chair. Mr. Emory motioned to close the floor for nominations. Mr. Wallace seconded and the motion was unanimously adopted by the Board by voice vote. Mr. Pettitt opened the floor for a vote and Mr. Aaron was unanimously elected Chair of the Board.

Mr. Pettitt then opened the floor for nominations for a new Vice Chair of the Board. Mr. Aaron made a motion to nominate Mr. Wallace for Vice Chair. Mr. Riley seconded. Mr. Pettitt asked for any additional nominations or a motion to close the floor for nominations for Vice Chair. Mr. Dodson motioned to close the floor for nominations. Mr. Emory seconded and the motion was unanimously adopted by the Board by voice vote. Mr. Pettitt opened the floor for a vote and Mr. Wallace was unanimously elected Vice Chair of the Board.

APPROVAL OF MINUTES

Mr. Aaron requested a motion for approval of the Minutes of the August 7, 2015 meeting of the State Board of Proprietary Schools. Mr. Riley made a motion to approve the minutes as drafted. Mr. Emory seconded the motion and the minutes were unanimously adopted by the Board by voice vote.

APPROVAL OF AGENDA

Mr. Aaron requested a motion for approval of the meeting Agenda. Mr. Pettitt made a motion to approve the Agenda as presented. Mr. Dodson seconded, and the Agenda was unanimously adopted by the Board by voice vote.

State Board of Proprietary Schools

North Carolina Community Colleges System Office

State Board Room, Raleigh, NC

November 6, 2015

10:00 a.m.

DIRECTOR'S REPORT

- Fund Balances – As of October 31, 2015, the General Education Fund balance was \$519,141; the balance of the Student Protection Fund was \$687,457.
- New Board Members – The Board welcomed two new members: Mr. John Dodson and Mr. Frank Emory. Mr. Dodson's term will expire December 30, 2017; Mr. Emory's term will expire December 30, 2020.
- Advisory Committee Changes: Ms. Jennifer Waber of NASCAR Technical Institute will replace Mr. Dodson on the Advisory Committee and Mr. Krostopher Loretz of Southeastern Institute will replace Bill Caswell.
- Code Change 2A SBCCC 400.2 – This was released for public comment on November 2, 2015, with an anticipated approval of March, 2016.
- OPS Update – The Advisory Committee Mentor Program is ongoing; Ms. McAllister will conduct a new school orientation November 20th; OPS will conduct license renewal workshops in early 2016; revision of the license renewal packet is ongoing.
- Licensing Issues Update –
 - The NC Attorney General filed a Complaint against the owner of North Carolina Medical Institute. This ongoing action requests reimbursement for all impacted students.
 - Brookstone College of Business (Charlotte and Greensboro) – The owner is in the process of completing a close-out audit required by the US Department of Education. Once the audit is complete, OPS will send letters to students who may have a bond insurance claim filed on their behalf.
 - The Wilmington campus of Miller-Motte College provided revised placement data for 2013 and 2014 to OPS. OPS verified placement data from the Cary, Greenville and Jacksonville Miller-Motte campuses.
 - Caring For Life is continuing to provide OPS with monthly enrollment, receipts and roster updates to verify.
 - DHHS suspended approval of Nurse Aide I and Nurse Aide I Hybrid programs at Mount Eagle College. A DHHS-approved teach-out is being conducted for 20 students in Nurse Aide I programs. Three (3) students in a Nurse Aide I Hybrid program were refunded. The school is cooperating with DHHS to submit a written Plan of Correction before enrolling or conducting further programs.

APPROVAL OF ANNUAL REPORT REVISION

The Board discussed a proposed change to the Annual Report proprietary schools file. Mr. Wallace requested to amend the *Program Placement Information* section to include calculation of placement rates. Mr. Aaron requested to add a disclaimer regarding confidential information to the instructions portion of the license renewal application. Mr. Pettitt requested to keep the reporting period on an annual basis. Mr. Aaron then requested a motion to approve the Annual Report revision with the proposed requests. Mr. Riley made a motion to approve the Annual Report revision with the proposed requests. Mr. Wallace seconded, and the Annual Report revision was unanimously adopted by the Board by voice vote. The Board directed Mr. Corl to include the revised Annual Report in the next license renewal package.

State Board of Proprietary Schools

North Carolina Community Colleges System Office

State Board Room, Raleigh, NC

November 6, 2015

10:00 a.m.

REVIEW AND RECOMMENDATIONS FOR INITIAL LICENSING

Mr. Pettitt motioned to move into closed session pursuant to North Carolina General Statute §143-318.11(a)(1) to prevent the disclosure of information that is confidential or privileged pursuant to North Carolina General Statute §132-1.2(1). Mr. Emory seconded. After discussion with the General Counsel, Mr. Pettitt amended his original motion to also go into a closed session pursuant to North Carolina General Statute §143-318.11(a)(1) to prevent the disclosure of confidential personnel file information that is confidential pursuant to North Carolina General Statute § 126-22. Mr. Emory seconded and the motion was adopted by unanimous voice vote. After lengthy discussion, Mr. Riley made a motion to return to open session. Mr. Emory seconded, and the Board reconvened to open session.

The State Board of Proprietary Schools recommended the following schools for initial licensure to the State Board of Community Colleges:

- DA Academy of NC
 - Kaplan College – Contingent upon the bond being updated to reflect the name of the new owner doing business as (DBA) Kaplan College.
 - Life Time Academy
 - The Iron Yard (Charlotte) – Contingent upon the submission of a fully-executed lease amendment reflecting a lease term through June 30, 2016.
 - The Iron Yard (Raleigh) – Contingent upon the submission of any required Certificate of Occupancy and a successful site visit by the Office of Proprietary Schools.
 - Unity Nursing Institute
- * The Board tabled consideration of Palmetto School of Career Development until its next meeting and directed OPS to request additional documentation from the school.

PERFORMANCE REVIEW OF OFFICE OF PROPRIETARY SCHOOLS STAFF

After discussion, Mr. Wallace made a motion to return to open session. Mr. Emory seconded, and the Board reconvened to open session.

- Mr. Aaron announced that the Board was very pleased with the performance of OPS staff and the progress the Office has made since the Board's inception. Mr. Aaron announced that the Board approved a salary increase for Office staff. Mr. Corl will present the request to the Executive Vice President and Chief Financial Officer of the Community College System Office for approval by the State Board of Community Colleges.

APPROVAL OF 2015-16 BUDGET

Mr. Aaron requested a motion to approve the 2015 -16 Budget for the Office of Proprietary Schools with an adjustment for the salary increases. Mr. Riley made a motion to approve the budget with the proper adjustment. Ms. Ganiyu seconded, and the motion was adopted by unanimous voice vote.

ADJOURN - There being no further business to come before the Board, Mr. Aaron requested a motion to adjourn. Mr. Riley motioned to adjourn the meeting and Mr. Emory seconded. After unanimous voice vote, Mr. Aaron adjourned the meeting at approximately 1:00 p.m.