

MINUTES

NONPUBLIC POSTSECONDARY EDUCATION COMMISSION

April 20, 2015

1:20 P.M.

Pursuant to notice, the Quarterly Meeting of the Nonpublic Postsecondary Education Commission was held at 2082 East Exchange Place, Azalea Conference Room, Tucker, Georgia, 30084.

MEMBERS PRESENT:	Victoria Agyekum	1 st Congressional District
	Lee Todd	3 rd Congressional District
	Deb Wade	4 th Congressional District
	VACANT	5th Congressional District
	Shelley Nickel	6 th Congressional District
	Toby Hinton	7 th Congressional District
	Holly Kirbo	8 th Congressional District
	Martha Nesbitt	9 th Congressional District
	Ryan Worsley	10 th Congressional District
	Arthur Vaugh	11 th Congressional District
	Norma Nunez-Cortes	12 th Congressional District
	Karen Gilbert	13 th Congressional District
	Clint Hobbs	AT LARGE

MEMBERS ABSENT:	Milton Raven, Sr.	2 nd Congressional District
	Alexander Whitaker	14 th Congressional District

STAFF PRESENT:	Corinna M. Robinson	Executive Director
	Shirlene Mitchell	Office Manager
	Carl Camann	Deputy Director
	Adam Hawk	Standards Administrator
	Magda Rivers	Standards Administrator
	Laura Vieth	Standards Administrator
	Phil Embry	NPEC External Auditor

VISITORS:	None
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1. CALL TO ORDER

Chair, Shelley Nickel, called the meeting to order at 1:20pm and welcomed the Board of Commissioners. Chair Nickel introduced NPEC's staff in attendance. There were no visitors to recognize.

2. INVOCATION

Victoria Agyekum gave the Invocation.

3. APPROVAL OF AGENDA

Norma Nunez-Cortes made a motion to adopt the Agenda for the April 20, 2015, Quarterly Commission Meeting of the Nonpublic Postsecondary Education Commission. The motion was seconded by Victoria Agyekum.

Upon unanimous vote it was **RESOLVED**, that the Agenda for the April 20, 2015 meeting be adopted.

4. APPROVAL OF MINUTES

Clint Hobbs made a motion to adopt the Minutes from the January 26, 2015 Quarterly Commission Meeting of the Nonpublic Postsecondary Education Commission. The motion was seconded by Ryan Worsley.

Upon unanimous vote it was **RESOLVED**, that the Minutes from the January 26, 2015 Quarterly Commission Meeting of the Nonpublic Postsecondary Education Commission be adopted.

5. THIRD QUARTER REPORT: TUITION GUARANTY TRUST FUND

Executive Director, Corinna Robinson presented the Third Quarter Report of the Tuition Guaranty Trust Fund for the nine month period ending March 31, 2015 (attached) as approved by the Board of Trustees of the Tuition Guaranty Trust Fund. Director Robinson referenced the extensive discussion on the TGTF Report during the TGTF Board of Trustees meeting immediately before the Commission meeting.

Ryan Worsley made a motion to adopt the Third Quarter Report of the Tuition Guaranty Trust Fund for the nine month period ending March 31, 2015 as approved by the Board of Trustees of the Tuition Guaranty Trust Fund. The motion was seconded by Holly Kirbo.

Upon unanimous vote it was **RESOLVED**, that the Quarterly Report of the Tuition Guaranty Trust Fund for the nine-month period ending March 31, 2015 as approved by the Board of Trustees of the Tuition Guaranty Trust Fund be adopted.

6. ACCEPT NPEC REVISED MINIMUM STANDARDS TO PERMIT SIX MONTHS COMMENT PERIOD TO COMMENCE

Executive Director, Corinna Robinson discussed the following:

- a. The board was given a heads-up about the minimum standards during the October 2014 and January 2015 Commission meetings.
- b. Minimum standards are ready for the Commission to review for any changes/comments.
- c. During the 6-month period the schools will be reviewing for their comments.
- d. The October Commission meeting is when we will ask to have it formerly adopted by the Commission.
- e. An electronic copy can be provided to board members if requested.

Executive Director, Corinna Robinson asked Deputy Director, Dr. Carl Camann to give an overview of the Minimum Standards.

Dr. Carl Camann provided the following comments:

- The revision in Minimum Standards are nothing unusual.
- The Minimum Standards stem directly from Georgia law.
- The Minimum Standards were initially derived in the early 1990's and the last revision was in 2006.
- It is time for revisions in order to meet the new developments in higher education.

Chair, Shelley Nickel asked, "If these changes are in result of what we would have done anyway and also in response to the performance audit?"

Dr. Carl Camann answered, "Yes and the biggest issue with the performance audit was making sure we are in compliance."

Chair, Shelley Nickel asked, "If during this 6-month period does NPEC receive comments from other institutions as well?"

Dr. Carl Camann responded, "It depends. During the 2006 revisions there were numerous comments from the schools which helped shaped the 2006 Minimum Standards. These revisions are included in black type on your hand-out."

Martha Nesbitt asked for confirmation, "If the board should review these Minimum Standards over the next six months and if the board should have any comments, to provide their comments to NPEC?"

Dr. Carl Camann replied, "Mrs. Nesbitt you stand correct."

Arthur Vaughn made a **MOTION** to accept the review of the Minimum Standards to permit the 6-months comment period. The motion was seconded by Norma Nunez-Cortes.

Upon unanimous vote it was **RESOLVED**, to accept and permit NPEC a six month comment period for the Revised Minimum Standards.

7. NPEC OPERATING BUDGET QUARTERLY REPORT ENDING MARCH 31, 2015

Executive Director, Corinna Robinson discussed the following:

- The agency has remained within budget thus far except for a few areas but the overall end budget will be balanced.
- The structure of the agency will always have overage in the “Contracts” area; but the State allows for amendment at the end of each fiscal year which is derived from NPEC’s Special Purpose Revenue.
- Special Purpose Revenue will be used to cover the “Telecommunications” overage.
- The agency is currently not being charged rent, which will help in any shortfall areas.
- The agency collects 2.5% of the evaluation fees generated from authorized schools throughout the year; this is how the Special Purpose Revenue is generated.
- The Governor has a zero base budget requirement and NPEC will meet this requirement.

Chair, Shelley Nickel asked, “If these are state funds used to operate NPEC’s budget?”

Executive Director, Corinna Robinson responded, “Yes”.

Arthur Vaugh commented, “That based on his observance of the current spending rate for Personal Services, it appears that the agency will over extend the budget in this area.”

Executive Director, Corinna Robinson responded, “That the Office of Planning & Budget told me in January that this is an area that will need to be monitored but assured that NPEC should be ok. I will continue to monitor this category with accounting and report to the Commission at the next meeting on the specifics.”

Clint Hobbs asked, “What happens to the Rent budget if NPEC is not charged rent again for the next fiscal year. Can this be used to amend or will that money lapse?”

Executive Director, Corinna Robinson expressed to Mr. Hobbs that if this occurs, she will be working with OPB to see where best the funds can be utilized.

Executive Director Robinson continues by saying, “The GSFC accounting office is very good about giving us a heads-up if we are going to go over the budget overall. At this point I have not received any notification from the accounting office, so we should be ok.”

Clint Hobbs asked, “In what event can you move money into Personal Services? Do you have the authority to do that?”

Executive Director, Corinna Robinson responded, “I do not have that direct authority, only the Office of Planning & Budget can approve that type of move. It is not a common practice and we are held accountable for all budget expenditures and amendments”

No approval required.

8. EXECUTIVE DIRECTOR'S REPORT

Executive Director, Corinna Robinson discussed the following:

- **HB 353 Agency Legislation**
 - a. Governor Deal signed the bill today (April 20, 2015).
 - b. HB 353 can be viewed on the Georgia General Assembly's website.
- **Edvera Update – presented by Laura Vieth**

NPEC currently receives the following documents electronically through Edvera:

 - a. Transcript Requests
 - b. Complaints
 - c. General Inquiries
 - d. Cosmetology Applications
 - e. Audit Only Schools

Ms. Vieth informed the Commission members that this month (April), NPEC will be beta testing the authorized school application. NPEC should be ready to accept authorized school applications through Edvera this summer. It will take a year to get all applications in the system because schools renew their applications annually. Next year the application process should be at 100% electronic submission.

Chair, Shelley Nickel asked, "How many authorized schools are there?"

Executive Director, Corinna Robinson answered from the last report she received 328, but after Laurus Tech closing it is 325.

- **School Closures & Corinthian Update**

Executive Director, Corinna Robinson asked Deputy Director, Dr. Carl Camann to give a brief overview of the school closures. Deputy Director Camann states:

 - a. Almost finished with Anthem College closure. Anthem's close-out was well structured and organized.
 - b. Received 14 student inquiries at last board meeting; currently have received a total of 21 student inquiries. Have totally resolved 19; the two students pending may have to be reimbursed a small amount.
 - c. Anthem provided great resources for its students.
 - d. Have only expensed \$7,000 towards Anthem's closing thus far.
 - e. Corinthian Colleges: NPEC is now in receipt of seven "Change of Ownership" applications from Zenith Corporation Group. Zenith Corporation is the group that purchased Corinthian Colleges.
 - f. NPEC is still reviewing Zenith's financial viability and additional information. Change of Ownership is pending. Interim authorization has been granted to students at this time.
- **Performance Audit Update**
 - a. Do not know when the audit will end; DOAA asked for additional information and NPEC has complied.

- b. Response thru April 10th is provided in your Commission binders.
- c. Department of Audit has asked if the Minimum Standards would be adopted today during this board meeting.
- d. Board members will receive a copy of the audit as soon as it is finalized.

- **Financial Viability Assessment Process**

Presented by Deputy Director, Dr. Carl Camann and NPEC's, External Auditor, Phil Embry.

- a. A set of criteria that will be used to assess the financial viability of an institution; will include examining the parent group as well as the local institutions for sufficient cost reserves as well as asset management.
- b. Who NPEC will assess and the process.
- c. In the pilot stage right now.
- d. Zenith Corporation Group (purchased Corinthian Colleges) is currently going through this viability process with its seven schools.
- e. The development of the viability process began last Fall.
- f. Will not authorize schools if viability is not stable on the front-end. Can ask schools for a plan of action if needed after questionable financial review; and advise school to close if necessary.

Toby Hinton asked, "Does an initial application require board approval?"

Executive Director, Corinna Robinson answered, "No, it is done internal by NPEC."

No approval required.

9. OTHER BUSINESS

Chair, Shelley Nickel discussed the following:

SARA (State Authorization Reciprocity Agreement)

- a. No updates at this time. General Assembly is in session and others schedule did not allow them to participate in a meeting.
- b. Will be meeting with Executive Director Robinson to see if NPEC will become the SARA Portal Agency.

Teleconference Commission meetings

- a. Asked board to consider call board meetings in the future to help with schedules and NPEC budget restraints.
- b. Mixed reviews with board members; some would still like to meet in person and have school campus visits.

No approval required.

10. NEXT BOARD MEETING

- July 27, 2015
- Time and location will be determined at a later date.

11. ADJOURNMENT

Victoria Agyekum made a motion to adjourn meeting. The motion was seconded by Arthur Vaughn.

Meeting adjourned at 2:32 P.M.

Shelley Nickel, Chair