

DRAFT MINUTES
STATE OF NEVADA
EMPLOYMENT SECURITY DIVISION
COMMISSION ON POSTSECONDARY EDUCATION

NEVADA COMMISSION ON POSTSECONDARY EDUCATION MINUTES

Topic: Commission on Postsecondary Education
Time: February 9, 2022 09:00 AM Pacific Time (US and Canada)

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Staff Present during Video Conference

Kelly D. Wuest, CPE Administrator
Maricris Wu, CPE Postsecondary Education Specialist
Susan Beckett, CPE Administrative Assistant III

**Members of the Public, Media, and Other Agencies
Present in Las Vegas**

Todd Weiss, Nevada Attorney General Office, Deputy Attorney General
Venus Fajota
Carol Galbraith, Sonder C N A Training
Abby Walker
Angie LeBlanc, Accelerated Dental Assisting Academy
Dora Valentin, Adult Care Connections
Andrew Rozell, iTeachNevada
Brian Treu, Phlebotomy Training Specialist
Jacqueline Villeda, Coaching Pros
Dr. Kimberly Thaggard, iTeachNevada
Emily Jenks
Haley Hutchison
Haylee Stephens, Arch Dental Assisting Academy
Heidi Callender
Jessica Ford
Molly Rose Lewis – US Sen Rosen
Monica Sanborn, Phlebotomy Training Specialist
Mishaux Ramirez, Accelerated Dental Assisting Academy
Ryan Rauzon
Christian Jones

**Member of the Commission on Postsecondary Education
Present during Video Conference Meeting**

Nate Clark, Chair
Sharon Frederick, Vice Chair
Thomas Kenny
Joseph Rhoades
Steven Soares

STATE OF NEVADA
EMPLOYMENT SECURITY DIVISION
COMMISSION ON POSTSECONDARY EDUCATION
MINUTES

February 9, 2022 – 9:00 A.M.

Call to Order

The meeting was held via Video Conference ZOOM. The meeting was called to order by Chair Commissioner Nate Clark at approximately 9:02 AM.

Public Comments

Commissioner Clark asked for public comment – Molly Rose Lewis from U.S. Senator Rosen office introduced herself and is in attendance, gave information and her contact information is mollyrose_lewis@rosen.senate.gov; 775-560-1824 she covers the 13 of 17 Northern Nevada Counties out of the Reno office.

Written Comments

This is Susan Beckett, no written comments.

Confirmation of Posting

Susan Beckett, for the record, Administrative Assistant III, Employment Security Division, Commission on Postsecondary Education. Yes, proper Notice and Posting were completed for this Meeting. The meeting will be held via videoconference only.

Roll Call

- Commissioner Chair Clark - Present
- Commissioner Vice-Chair Frederick - Present
- Commissioner Eade - Excused
- Commissioner Kenny - Present
- Commissioner Ponder - Absent
- Commissioner Rhodes - Present
- Commissioner Sewell – Excused
- Commissioner Soares - Present

Administrator Kelly Wuest: took roll via verbal and video. Confirmation of a quorum.

Adoption of Agenda:

Motion: Commissioner Rhodes – Move to approve adoption of Agenda for February 9, 2021.

Second: Commissioner Soares.

Discussion: None.

Results: Unanimous, agenda is adopted.

Approval of Minutes November 3, 2021, Meeting

Discussion: Susan Beckett updated an error on the minutes submitted. Under Roll Call, Commissioner Clark was listed as excused. He was present he was present at the meeting.

Motion: Commissioner Rhodes – Motion to amend the submitted minutes for November 3, 2021, meeting to include Commissioner Clark as present.

Second: Commissioner Kenny.

Discussion: None.

Results: Unanimous, motion carries.

Motion: Commissioner Rhodes – Motion to approve the amended meeting minutes.

Second: Commissioner Soares.

Discussion: None.

Results: Unanimous, motion carries.

Administrators Report

Administrator Kelly Wuest read the submitted Administrators Report (as submitted in the Public Packet Posting) with the following updates:

Commissioner Clark asked Administrator Wuest about the Morrison University website, he could not find anything that they are located in Nevada. Administrator Wuest stated they may have removed it as we have been addressing student inquiries as we receive them.

Quarterly reporting update: 40 outstanding institutions still need to report our current report is up to 7,851. Quarter three increased another 2,000 students after our last meeting, we are expecting our current numbers to increase for quarter four.

Commissioner Frederick, in the past, you have been able to utilize interns to assist you in the office, is that something that is still viable? Administrator Wuest replied, there is a program called Skill Bridge the State of Nevada is looking whether to participate in it. I did request that we participate in it. It would be a Veteran that would be transitioning out of service. The other interns we have had are from a program ran from DETR that are young students with disabilities. That program works really well in processing our backlog of transcripts from the closed institutions.

Applications for Full Term License

Adult Care Connections

Testified: Dora Valentin, attended the meeting. There were issues with their microphone and given the option to speak via the chat if there were questions.

Motion: Commissioner Frederick – A motion that Adult Care Connections be granted full term licensure.

Second: Commissioner Soares.

Discussion: None.

Results: Unanimous, motion carries.

Arch Dental Assisting Academy

Testified: Haylee Stephens gave background and information for Arch Dental Assisting Academy.

Commissioner Clark, it is my understanding that the original plan was to open in Reno and now it has moved to Vegas? Haylee Stephens replied, correct. Commissioner Soares, when you are testing your students are you using the manual process or the sonic process? Haylee Stephens replied, I do not understand the question. Commissioner Soares, when you are working with your dental students, and they are doing teeth cleaning are you teaching them with sonic or scale or a little bit of both? Haylee Stephens, a little bit of both so they are prepared with wherever they end up with their jobs. Commissioner Soares, are you starting to see a rise in enrollment? Haylee Stephens, yes, we had a slow start, but we are seeing a rise given our reputation with our schools that are currently here. Commissioner Soares, do you have an externship? Haylee Stephens, yes, we do require 40-hour externships for all students.

Motion: Commissioner Soares – A motion for a full-term license be granted to Arch Dental Assistant Academy.

Second: Commissioner Rhodes.

Discussion: None.

Results: Unanimous, motion carries.

Coaching Pros for Personal Injury Academy

Testified: Jacqueline Villeda testified and gave background.

Commissioner Rhodes, when you say that you have been doing this for thirty years do you mean you have been litigating PI cases for thirty years? Jacqueline Villeda, I litigate, I am not a paralegal I am a case manager. Commissioner Rhodes, when you say you have been doing this you mean case management or teaching? Jacqueline Villeda, working in law firms in pre-litigation stages of the claim. Commissioner Rhodes asked about the current audit students and their employment. Jacqueline Villeda explained the process of the program and how some of the students are currently working in the field, but wanted to expand their skills and stop bouncing around from law firm to firm.

Motion: Commissioner Frederick – A motion for a full-term license be granted Coaching Pros for Personal Injury Academy.

Second: Commissioner Kenny.

Discussion: None.

Results: Unanimous, motion carries.

iTeachNevada

Testified: Dr. Kimberly Thaggard, gave a background and update on the program.

Commissioner Clark, can you tell us a little bit about how you plan to address those areas of concern. Kimberly Thaggard, yes, and I want to commend Maricris for the amazing work she has done as well as Susan meeting with us to ensure we are in compliance. I think the answer really to this is the exponential growth that has taken place. I am sure you are very familiar with the Nevada teacher pipeline; we have seen a rapid amount of growth since we applied back in March. A lot of the missing documentation was in regard to our employees that we have had to bring on in result of that growth. We seem to be having issues with the 40b and 40c compliance with HR. Commissioner Clark, I see that one of the areas was where there were some citations from Texas regulations and then about the Nevada operation. Do you have someone on board who is familiar with the Nevada regulations? Kimberly Thaggard, that would be me, I was hired last March. We are a nationwide company again; the problem of a teacher pipeline is not only significant in Nevada it is a nationwide problem. It appears to be an oversight and legitimately a typo. Commissioner Frederick, will you be actively seeking student veterans? Kimberly Thaggard, certainly, I actually have a meeting with Grace Ann, and she is working with myself and public ed foundations Pathways Commission. We are working very closely to try to get as many veterans in the classroom as possible. Commissioner Frederick, thank you for your testimony regarding our Nevada Revised Statutes. That was very upsetting to me. I felt that you were completely ignoring our requirements here in Nevada. I am very pleased to hear your explanation for the because originally, I was not in favor of the nine-month extension. I did not think you were being serious about this being iTeachNevada and not iTeachTexas. When I read the report and saw how many meetings this has taken for you, this should have been a slam dunk for you. We see other applicants appear before us with much less historical knowledge and education. It just seems like they don't have the issues. I chaired the meeting for your provisional license, and I was hopeful.

Commissioner Soares, Administrator Wuest, how did you determine the nine-month period? Administrator Wuest, it was because we didn't think we'd have enough data in the six months because we're still not to the corrected documents like the enrollment agreement, and those types of things so going to have some back work with that. Things that were Texas related we will have some amendments to that and things like that so they will be done and when you think of nine months, actually think of seven months. We did a virtual before with them before, we need to do an in person.

Motion: Commissioner Rhodes – Motion that the iTeachNevada provisional license be granted for an additional nine-month period.

Second: Commissioner Frederick.

Discussion:

Results: Unanimous, motion carries.

Phlebotomy Training Specialists, LLC

Testified: Brian Treu, gave background and update for the institution.

Commissioner Kenny, how many draws do students do when they train with you? Brian Treu, 100 they have to do 100. Administrator Wuest stated we must do 100 so we are doing 100. Additionally, I wanted to say your organization is great and they on top of things. Commissioner Clark, are your phlebotomists becoming certified through a phlebotomy certifying agency? Brian Treu, yes NHA.

Motion: Commissioner Frederick – Motion to grant full term license for Phlebotomy Training Specialists, LLC.

Second: Commissioner Soares.

Discussion: None.

Results: Unanimous, motion carries.

Sonder CNA Training

Testified: Carol Galbraith gave background of the school and program. She also thanked Maricris Wu for her assistance.

Motion: Commissioner Soares – Motion to grant full term license for Sonder CNA Training.

Second: Commissioner Rhodes.

Discussion: None.

Results: Unanimous, motion carries.

Applications for Initial Provisional Licensure

Accelerated Dental Assisting Academy

Testified: Mishaux Ramirez, gave background and information about the proposed institution and why Dr. Jarrad Bencaz decided to start a school. Additionally, thanked Maricris Wu for her support and assistance. Mishaux Ramirez, gave a very detailed report on the program. Mishaux Ramirez, asked a question pertaining to Commissioner Soares question earlier today, she quoted the law and then asked about scaling teeth for further clarification. Commissioner Clark and Commissioner Soares responded with you are correct a assistant does not scale or sonic clean teeth in the State of Nevada.

Motion: Commissioner Frederick – That a twelve-month provisional license be granted to Accelerated Dental Assisting Academy to offer the Dental Assisting Certificate program contingent upon receipt of surety bond in the amount of \$22,000, facility approval, personnel information, and curriculum approval.

Second: Commissioner Rhodes.
Discussion: None.
Results: Unanimous, motion carries.

NAC Changes

Changes to NAC 441A Concerning Immunization Requirements

Testified: Administrator Wuest gave background information and reviewed the information submitted in the public packet. Commissioner Clark, what would the next steps be at this point? Administrator Wuest, what I was envisioning is possibly a letter to the Board of Health, asking to be a participant in the process, it directly impacts and our constituents within the commission, how we would oversee them. They claim that there was no cost, but we don't see it that. We see that there would be a cost, both to our institutions and to our staff to monitor because we would have to enforce.

Commissioner Clark, should we make a motion to authorize that letter, can we now?

Commissioner Rhodes, the wording of the law says University. What makes it in the law that applies to us and not NSHE what is the actual connection between those two things? Commissioner Clark, they defined that early in the regulation, the law the Administrative Code. They moved wording around to every time they use the word "university" they mean every postsecondary school. Commissioner Rhodes, yes, I understand they are including wording to make it, so it included every postsecondary school.

Commissioner Soares, I noticed a few things when they start putting computerized records and then you get groups together you will get a mess. There is no additional information available. The other thing I was noticing about this is that they actually said you have to have an immunity to COVID19, but there is no such thing. Deputy Attorney General Todd Wiess is there a reason why, and I have noticed with other commissions and boards, they have subcommittees. Is there a reason why we can't have a subcommittee that doesn't have to be a part of the Open Meetings Law, where we can do our work and channel it up to the main commission? Deputy Attorney General Todd Wiess, it is really difficult to give a definitive answer to that because whether a subcommittee needs to be part of the Open Meeting Law or not is very fact specific to exactly what the subcommittee is doing, what it's purposes, who is on it. If this is something the commission would be interested in, I am happy to help the commission set something up like that if that's interest of the commission, but again it is very fact specific. Commissioner Soares, yes that would be something I think we should set up. It might be good for us to help them propose. I would propose or I would support a proposal if it came up.

Brian Treu continued the conversation with information pertaining to additional states and how they are addressing the issues with COVID and trends with immunizations.

Commissioner Clark, do we need to have a motion for a letter or is that something you will just do? Administrator Wuest, I think if it comes from the Commission then it needs to have a motion if it comes from staff then no, we would not. However, if it comes from the commission a motion. Commissioner Clark, what we are talking about is writing a letter stating we would like to be

involved, not taking a political stance on the efficacy of vaccinations and the wording of immunization and so forth, we will get to that once we get involved and can give our input.

Motion: Thomas Kenny, to authorize a letter from the commission to the agencies involved that we request that we would be involved in future discussions about any, rules, regulations and so forth that involve requirements for vaccinations by students in the state of Nevada, or higher education students' postsecondary education students in the state of Nevada.

Second: Commissioner Soares.

Any discussion: This is Commissioner Frederick, I was just wondering if that motion could be very generic, and just make it specific to NAC, instead of, being specific for vaccinations.

Commissioner Clark, I don't know who would the letter go to governor? If we're going to open it up to any NAC. Commissioner Frederick, well, no as things like this happen. I'm just doing like a generic motion that would cover any type of changes to NAC that might happen in the future, so we don't have to do a motion, every time something like this comes up. Commissioner Clark, well, again, if we're going to do that generically, where would that letter go? Administrator Wuest, and it actually happens more often than you realize. There may be a federal change that we have to do something a state like our agents, they have to follow federal requirement. So, we have a NAC change that we get were included in probably 40 or 50 neck changes because it's a reporting criteria that has to do with like what we do with backgrounds or, you know, there's a whole bunch of things that that circle back. Commissioner Frederick, so, this is an anomaly that normally doesn't happen. Administrator Wuest, yes, and it's happened in the past. The past administrator, Mr Perlman had his displeasure with the fact that that happened in the past. Commissioner Frederick, okay. Administrator Wuest, this specific group and this specific NAC, an on an ongoing thing for at least 15 years. Commissioner Frederick, oh really. So, there's some historical knowledge of this very interesting. Okay. And they've not if he was not included in the past conversations. So, and that's why it is so poorly written from even prior to this edition, or revision of the, of the NAC and the others came from Health and Human Services Department. Administrator Wuest, it's the Board of Health, that out specifically was working on this. Commissioner Fredrick, yeah, I know Mr. Perlman and I don't remember this coming up before, but this is very interesting. Thank you. Administrator Wuest, it was one of my first conversations with him.

Commissioner Soares, so, basically just to clarify, we're, we're looking to send a letter from the commission that says, hey, we need to be involved, and whatever happens with these NAC changes. Is that correct? Is that how we want to do that? Commissioner Clark, I'm not familiar with the, the, I guess the supply chain in the you know the changes to NAC. So, if somebody would like to make a motion around that? Do we need to take action on the motion that's on the floor, and just let it die or start a new or and then the current motion? Deputy Attorney General Mr. Weiss, I would amend chair Clark. Commissioner Clark, Okay, then. Do we have a second on that amendment? Commissioner Kenny, second. Commissioner Clark, we have a motion and a second that has been amended to make it more generic. Any further discussion. Hearing none, all false or vote. All in favor signify by saying

Amended motion:

Motion: Commissioner Frederick - A letter from the Commission to the agencies involved that we request that we would be involved in future discussions about any, rules, regulations and so forth that involve changes in NAC requirements for students in the state of Nevada, or higher education students, postsecondary education students in the state of Nevada.

Second: Commissioner Kenny.

Discussion: None.

Results: Unanimous, motion carries.

Changes to NAC 394 Concerning Financial Stability

Testified: Administrator Wuest, every 10 years we do look at our neck, and we look to see what needs to be revised and some changes that we may want to make. We do have some other things that we, that will be brought forth. In May, because there was an NRS change that's going to require that we create a NAC that addresses it concerning it was, it was in NRS 394.441, but that will happen later but we're kind of wanting to have a discussion about this initially and then all those changes will be kind of presented at one time. We'll have to have a workshop, and a small business impact of any changes that we make, and kind of go through that process to even propose this to the legislature. This really is about financial conditions if you look at the NRS it basically is really a broad sweeping statement that they have to be financially sound and capable, fulfilling its commitments to the students. That's what our NRS says, that's like our overreaching mission. There is also another aspect here, that could require NRS change, and I do have a typo here, it is 394.460, that identifies the financial statement of an institution is confidential. So it may help us formulate with an with an NAC change that we designate what is a financial statement, because that's come up in the past like is someone's tax records if they provide them as financial statement, we may want to do, you know, further define all those things that are confidential so we don't put a business at risk, later on so those two things are the NRS that the start everything out and then we have two NAC. First, an initial application requires a financial statement that's prepared by a certified public accountant. It can be either a reviewed statement or an audited statement. This is something I've been contending with for years. As you know, 75% of our institutions are unaccredited NCD, for the most part I call them mom and pop, even when there's larger institutions that may have multiple locations around the country. Most of them are still small businesses, they're not they're not big conglomerates. This requirement is really difficult on them. What I've seen from my standpoint is a small business they have an idea, like ours, RCA school she had an idea to open this off to do this training. So, we required that they go do this, reviewed audited financial. They hadn't operated, so they have no past, they have no experience so although we were part of this document it doesn't really give us a lot of information to go off of. There may be some better ways to get to the data, and actually reduce the cost for our small business owners. On the opposite pull of that people that are accredited and are participating in federal financial aid, they already do the audits because the Department of Education is requiring it. So, having them do it it's really nothing off of it doesn't cost them any more to submit the copy of that to us. We're the small business, it's more of a, of a reach for them and I will tell you that we have the workshops, and when I have a college in the workshop, their application comes about a month later, maybe two months. When I have an NCD it's six months to a year, and what they say is the first stumbling block is this financial statement. I've also had

people; they give me price quotes of \$2,500 to \$10,000 for something that's four pages long. That was part of this conversation is what we could do for them. Then the other thing is, we talk about what we have as far as documents, but we don't talk about what is financially sound. So, and the NAC really should help us give some parameters on what financially sound is. I'm not a CPA, I'm not an accountant. I don't feel that I have the expertise Maricris does have an accounting background. I don't think we have the word for all to really come up with that without some parameters. That's what really started this dialogue today different questions, all focusing on financials, financial soundness and how we should look at that.

Commissioner Clark, there's been a lot of discussion. Nationally, about the same topic. The US Department of Education has what they call the composite score. I don't know how many of you are familiar with that, but they use three different areas of the financial statement to come up with scores on liquidity and scores on cash reserves, as well as profitability, and each area is weighted and they give you a composite score. If you're within you know 1.5 to 3.0 while you're financially sound. If you're in a zone of 1.2 to 1.5 well they call that zone, where you're subject to height monitoring and then below 1.0 now you've got a supply a letter of credit. I look at our own rules and we look to a similar instrument to the letter of credit, but we asked new schools to provide sharing, which protects our students, right where the US Department of Education requires a letter of credit after the fact, after a school starts losing money or losing assets are running out of resources. So, I almost like the system where we were wire, the surety. I question the way we calculate the surety amounts and I also question those methods that we use to release the surety. Because we don't have a financial test to determine. Oh, it's okay now we don't need the surety anymore.

Commissioner Soares, Chair Clark I'm going to jump in here because I worked at the Department of Education. Some of the things that I've seen just a little bit of history. So, I've seen auditor letters that have come in and again I'm going to stick strictly to degree granting institutions, okay. If you have an auditor letter and you are using the government auditing standards or gag is as we call it. You must or that that auditor must give an opinion. Okay, now their letter might not say it, but it is public record you can go to the federal audit Clearinghouse, you can pull down their audit for a year. If the letters in there and doesn't state, there's a form attached to it. That will tell you what the audit opinion is that I think is a crucial item that we need to see from those institutions. For the composite score. Let's see how long it stays around. Because right now they're talking about getting rid of the composite score and replacing it with something else. Do not hold your breath for at least another five years. There are other avenues of being able to get simple financial data that's been proposed out there. To be able to, to see the financial health of the organization better than what the composite score is doing. And I can share that through Kelly, to the rest of the commissioners. Okay, so there, there's things out there that can be done. The other thing is financial statements. Looking at this looking at the number of degree granting institutions that failed over the past few years, students lost out. I know once to that went to Everest college, which was part of the Corinthians college network. She had all these loans, her student loan servicer never told her that she could get her loan cancelled from 2014 to today. So I finally had talked to them and said, hey you need to fill out this paperwork. They've been collecting money from her every year. You know she's been in collection all this time she never got her degree. Those are the kinds of things that I think we should be concerned with making

sure that we've got the right information. That tells us the financial health of the organization and have a way to be able to get more information. Now I know there are times the commissioner might ask for something we might give them provisional. I think it's essential that we need to tell these institutions, they need to get us that information. You know, even if we've provided a provisional license to. So, there's a lot of different NAC changes that could happen, that could be a little more specific to helping us as a commission, be better at monitoring organizations. Non-degree granting organizations, there, there are the simple solutions for that too for the financial records, which, again, I will send through Kelly, to get out to the rest of you but it's simple things, and I thought I had it pulled up and I didn't so give me two seconds.

Commissioner Kenny, Commissioner Soares while you're pulling that up, do you mind if I chime in with comment or two? Commissioner Soares, go ahead. Commissioner Kenny, I'll just chime in here with a couple thoughts, first of all, I'm glad that we're talking about this I think this is important. I have the, the document Kelly, that you prepared so that I can kind of comment at least on some of the questions that you put on there as well. I think that as Chair Clark said, I think that the current system of surety makes sense for brand new schools that are brand new. You know businesses that don't actually have established financials, you know, I think that for accredited institutions which go through all of this process you most creditors require you to be an operation for a period of time before you can seek accreditation right which means that this really is the gateway for any of those schools to ever become an accredited institution is they have to start off not accredited, they have to operate there and so at that very beginning, you have to have that pathway that doesn't involve the business already existing. So, I think that that's obviously still a productive system. But I do think that kind of the illusion that he made about like hey, how do you, then maybe transition past that in the future because that's super relevant at the beginning but then maybe there's more relevant information later makes a lot of sense. So I think for accredited institution, I couldn't agree more. It makes sense to have them start submitting their audited financial statements because you know that they have them and so that's a that's a slam dunk I think that we should start to add. I have served on our Accreditation Commission on the Financial Review subcommittee there and that was are tasked with managing financial soundness for schools and so what they did is yes they look at audited financial statements, but they're also looking at a few key financial indicators and so I think identifying what those indicators would be some examples that that I know that they've looked at are things like our current ratio of current liabilities to current assets, or rather assets, liabilities, excuse me, you know, and having that meet a certain minimum threshold looking at, you know, in time, which is not available at the beginning, when they're first starting but do they have a history of operating surpluses. Again, there has to be some noticeable changes that would happen at the beginning because you know you expect, maybe many of these institutions will lose money for the first year or two before they start making money so but once they get past a certain threshold that there would be an expectation of at least opera you know and a net income of some sort, even if it's small, to indicate that they can continue making that happen. And also, looking at the equity and whether or not there's positive equity in the business or negative equity in the business and so like those are some of the things that they've looked at. Now, with regards to like you know what do you do with that if somebody, you know, not in compliance right to withdraw their license. Is there a process for improving? You know there's a build out, there's a built out process with them, where there's a chance to sit you know have a

financial improvement plan, and then monitor that for a year and you'll see just that actually indicate we're seeing an improvement in those, you know handful of metrics that we've choose to be high value metrics and so again that's adding, you know, if you're layering that on that becomes quite a bit more work for the staff. Trying to figure out how to simplify that might be an incredibly important part to making that realistic but I do think that that's, you know, a, what would represent kind of a strong evolution of this in time to try to see a little bit more into the future, about where some of these issues are coming from one of your other questions I think speaks to that as well as that we're talking about the NCD folks, having some challenges but with the chains. Yes, I do think that you need to look at group financials and not just local financials, it because if that's what happened with right wouldn't I remember when we had to accept dozens of Brightwood students when they closed up overnight. That was not to do with the local campus the local campus was healthy was doing just fine but the system shut down, and therefore they kind of scrambled, I, you know, for my understanding, I think accreditation level we do look at the system and the local. And I think that that's a good best practice to kind of give you more clues, if there's trouble brewing at a different level that would normally be in your purview because it can still ripple into what you all are responsible for. So I think that that is worth trying to work that in the last thing I will say is that I do recognize the challenge associated with getting all of the audited versions of this for a very small business, and so I don't have the solution to that but I do actually agree with you that there should probably be a bifurcated pathway, whether it be based on a certain amount of annual revenue or something like that where hey if you're doing less than, you know, I don't know what that threshold is 250,000 in revenue, we don't need to see audited financial statements, but we need an accountant to sign off on your statements, but if you're making X number of dollars or more per year than we would expect you to have the financial resources to get audited. And then to submit that to validate it because that also indicates the scope of how many students you're impacting, if you have a big enough annual revenue budget. You are impacting a lot of students which means you have to be held to that higher threshold of making sure that we know what the heck is happening. So those are my thoughts on it. I'm very in support. Happy to help if I can, with any further discussion of this, but I think this is a great conversation.

Commissioner Clark, you know I agree with everything that you just said. The collection of that financial information, I think, is the easy piece to solve. We can easily write regulations requiring if you have audited financials, we need to see if you don't have audited financials when we asked for that almost suggest we look to the banks for that answer what do they ask for when, when they apply for a small business loan, which would be personal balance sheets and so forth. We can kind of align with that maybe we need to have a committee or subcommittee form to go over what do we do with the information once we gather it, how do we make those important decisions.

Brian Treu, a couple of things some other states do just to kind of join it your discussion as a board and then I'll get out of your hair, but some other states require the surety to be based on the unearned tuition, but they require six months. Unearned tuition to massively protect the students, which we feel is very aggressive but, you know, \$100,000 bond is thousand dollars. Well, that point you can probably just pay 2500 for the review financials. Some states require collateral, like you just said, going to the banks, the banks require management collateral when they lend money, or some states want collateral. Now they're not asking for reviewing UCC filing on that

collateral. I don't know what they do, I don't know, we don't have we don't ever meet it because they look at our financials that, you know, last year, my overarching organization to 20 million in sales and 10 million in net profits they don't look at us this question anything they look at us ago. Okay, guys, you know you guys are stable, but they do, they do collect collateral based some states one or two the states we operate in basically in the application. It's collateral based you can put up a car, you can put up the title you can put up your RV your four wheelers, you set the collateralized, and it's crazy that they're doing that but that's the way they choose to do it. We like to we like to share the idea, because it's simple, it's easy, it's cost effective \$25,000 bond is 250 bucks, you know, a year, but anyways that's my two cents, you guys are super smart people you'll figure it out you don't need an extra guy in this room, taking up your time so I'm going to jump off thanks so much for chatting everybody hope my two cents helped and I appreciate you brightness the meeting today. Commissioner Clark, thank you, Brian

Commissioner Clark, Commissioner Soares did you find the piece that you were going to finish presenting to us. I did, I did. So, the century foundation does a lot of work on metrics for financial analysis. They talk about an annual enrollment change enrollment year one, divided by enrollment Year Zero minus one. A simple calculation. That's one of a few items that they have. So, the surety bond I wanted to get to that, Chairman Clark. If, and Kelly had written it up in her statement. If it goes into receivership. It would be very difficult to get the surety bond paid. So, you have an issue there. Very much like the last conversation we just had. I believe that we should be involved in looking at what's in the NAC right now and proposing some ideas for changes since I believe the NAC is under our control. Right Kelly. So maybe that's something we can do I like the bifurcated pass path. So, what you're going to ask from non-degree granting as opposed to accredited institution should be two different things. But it should be clear what we want. I mean there's just a number of things that we can look for. I liked one of them, the debts, cash on hand reserve categories are over gays cash on hand. It's unrestricted cash and marketable securities over total expense, not including non-cash. Expenses over 365 so the calculations are pretty simple and it's something that non degree granting institution should have on and I'm just saying. So maybe those are things we need to look at but it's something we should hash out together.

Motion: Commissioner Soares – I would like to propose that we do the same and establish a subcommittee, look at the NAC in its current version, and look at ways to make changes to it that would be relevant to degree granting and non-degree granting institutions.

Second: Commissioner Kenny.

Any further discussion. Commissioner Kenny, well, I do have essentially a question about kind of, you know, so the next steps for this related to this, I feel like last time we talked about like having a subcommittee, and whether or not we can formulate a subcommittee that can actually work on something more in depth without having to go through all the whole hoopla of the big formal meeting that this seems like even more a prime example of something where, you know, some of this discussion, it just takes a sec to like flesh this out because it's pretty technical at first. It's not going to be what ends up being the case, you know, right, like to accomplish this, probably has to be a technical conversation, half middle gets cut. Then that a little like boiled down to the essential part of what we want it probably going to need to or if we want to you know bring in

some outside people who maybe have some other ideas as well who are, you know, kind of more experts in this area as opposed to, you know, you know, again, some of us seem to have some experience in it but you know like, maybe it's not what we do every day. You know, and so trying to move even do that and so this seems like the perfect sort of thing where, trying to get a working group and because this is going to be a huge change. If we do something about this massive change for most of the schools and require a really strong system for monitoring so it doesn't become overly burdensome and overwhelming with how to what to do with all the information that you're collecting. So just my two cents on that are I'm wondering you know I know that we said maybe we could explore this just to get the Deputy Attorney General Todd Weiss but like I think that this would be something worth exploring how it is that we can do this to facilitate conversations like this.

Commissioner Clark, you bring up some very good points and you know the inviting people from outside I think is important but who are those people and how do we get those invitations out and so forth. So, if we form the subcommittee's this voice. Do we need some guidance from you on how that process is going to unfold before we take this motion and vote on this motion. Deputy Attorney General Todd Weiss responded, yeah, I would?

Commissioner Rhodes, I'm sorry. I'm so sorry, I'm just before we do the motions and that I actually have on the phone, because he is calling in. He's having technical difficulties. I've got him on speaker because he does have comments he would like to make as well.

Commissioner Clark let's go to Deputy Attorney General Todd Weiss and then we can move to Mr. Rhodes.

Deputy Attorney General Todd Weiss, my advice would be to hold off on making an official vote I'm forming a subcommittee right now. I think that because it's, it's going to it's going to take a little bit of formulation to get something that is going to be compliant with the Open Meeting Law and I do not want to promise something that, you know, tells me when we can't get it to work. I think that's probably something that I can look at, you know, outside the meeting. I get some details on the exact what we're thinking about for a subcommittee. Then I can work on something that will work on the Open Meeting, but as far as motioning to do a subcommittee. Maybe we motion that their interest is that there is interesting for me to say, we're going to look into.

Commissioner Clark, yeah, we've done a subcommittee before we didn't violate the meeting laws. Maybe amending the motion to indicate the interest in forming, so that we have the time to do it. At the same time, like to see this thing move. Deputy Attorney General Todd Weiss understood Chair Clark, I'll get something and work with Susan and Kelly.

Commissioner Rhodes spoke and echo was extremely bad. Commissioner Clark, you mentioned, other states, looking at what they're doing my understanding is talking about this right now.

Commissioner Soares, I'm keeping a close eye on what's happening at the US Department of Education, so that I can hopefully bring back any information to the commission.

Commissioner Clark, some SBA regulations and whenever we do get around to form the subcommittee, I think we ought to have some, somebody from the banking industry. Administrator Wuest, such as BJ if we could get her. Commissioner Clark, if not her then maybe she has a recommendation.

Administrator Wuest, so are we perceive he going to put this off possibly on the agenda for May to consider the subcommittee, do you think your work? Commissioner Clark, or would it be something that we could have a special meeting for if we can meet the Open Meeting laws? I just would like to move it along. I think it's important that we that we do something not want to say quickly, but sitting around waiting for me? How long do you think it'll take for your research Mr Weise? Deputy Attorney General Todd Weiss I would say probably a month. Commissioner Clark, okay, they'll the get with everybody and figure out what we're what we're talking about. Deputy Attorney General Todd Weiss, yeah, but the month I should probably have a good idea of what we're, what we can do and what we can't do. Commissioner Clark, well, you know, based on that, it could go to the May, or, you know, if, if you feel that we can put together a special session or meeting. I'd be open to that also just to be able to move it along. So then at this point we really don't have anything to take motion on. Do we let the other motion die by taking a vote or do we just ignore it all together? Deputy Attorney General Todd Weiss, if no one second, then you can just let that die. Commissioner Clark, Okay, there you go. Did anyone second it? Susan Beckett, Yeah, we have a second. Commissioner Kenny, can I rescind my second and then we let it die?

Commissioner Clark, we take a vote all in favor?
Any opposing same sign -

Results: Unanimous, motion fails.

Public Comment

None.

The meeting was adjourned by Commissioner Clark. Time: 11:50 a.m.