

**MINUTES**  
**BOARD OF PRIVATE OCCUPATIONAL SCHOOLS**  
**January 26, 2016 9:30 A.M.**

Auraria Higher Education Campus  
Tivoli Student Center, Room 320  
900 Auraria Parkway, Denver, CO 80204

Board Members Present:

Steven W. Steele, Chair	Arlene Rae Malay	Joseph James Wolf
Richard Semakula	Shelley Krovitz	Paul Garibay

Division Staff Present:

Lorna Candler, Director	Mary Kanaly, Deputy Director & Compliance Officer
Bernadette Esquibel, Program Coordinator	Jessica Googins, Program Specialist
Lisa Hill, Program Specialist	April Cordova, Program Specialist
Loretta Perez, Administrative Assistant III	

Board Counsel Present:

Kimberly Spiering, Assistant Attorney General, Office of the Colorado Attorney General  
Terry Gill, Senior Assistant Attorney General, Office of the Colorado Attorney General

Guests Present:

Gina Simpson, Colorado School of Healing Arts  
Steve Chandler, Toni & Guy Hairdressing Academy  
Suzanne Scales, CollegeAmerica  
Katherine Mackinnon, Colorado School of Clinical Herbalism  
Lynn Romero, Colorado School of Clinical Herbalism  
Bill Adkins, CodeCraft School of Technology  
Jeff Zhuk, Internet Technology School  
Brittney Starcher, Command Cuts Academy of Barbering  
Joel Scimeca, CollegeAmerica  
James Guo, Holmes College  
Lucy Guo, Holmes College  
Ruth Hughe, Kaplan Professional School  
Stuart Crair, Digital Workshop Center  
Eric Juhlin, CollegeAmerica  
Quinglin Qui, Massage School of Colorado  
Orlando Gonzalez, Command Cuts Academy  
Marie Kuo, Holmes College

Call to Order:

The regularly scheduled meeting of the Private Occupational Schools Board was called to order by Steven W. Steele, Chair, at 9:32 A.M. The Board members, Division staff and guests were introduced. Board roll call was taken. A quorum was present.

Consideration of Approval of the December 1, 2015 Minutes:

Following review and consideration of the December 1, 2015 meeting minutes, a motion was made by Ms. Malay to approve the minutes as written. The motion was seconded and carried.

Additions / Changes to the Agenda:

Director Candler informed the Board that we had one addition to the Agenda, under new Business/ Action Item, "B" Consideration of Approval Programs/Stand Alone, will add a number "7" Massage Therapy Institute of Colorado.

Director Report:

**Final Agency Decision in MSC case:** The Director provided a brief history of the case up to the point that MSC filed exceptions to appeal the Initial Decision rendered by ALJ Mathew Norwood. Since the Private Occupational School Board is represented by conflicts counsel, the Division and its regular attorney were not involved in the appeal. Our understanding is that the Board will be considering the matter and may render the Final Agency Decision, which would conclude the administrative process. To the Division's knowledge, this is the Board's first Final Agency Decision.

**Information Only:**

**150% Rule:** The United States Department of Education (DE) recently advised one of our Colorado schools that massage therapy programs over 750 hours are no longer eligible for participation in Title IV Federal Student Aid (which includes Pell Grants, Subsidized, Unsubsidized, and PLUS Loans). Although such programs have been historically eligible, that changed when Colorado established a state-mandated training requirement for massage therapy.

- The Notice was also sent directly, via email, to each of our massage schools.
- The Division has since considered sending this directly via email to each and every school in the event some may consider introducing programs that would violate the rule.
- Colorado School of Healing Arts – (has been advised from its bonding entity, TAF, to cease enrollment until it has legal counsel and financial guidance.)
- Prior to the announcement of the 50% rule, BCMT was requesting application for a degree granting massage therapy program. (The Board had formerly discussed concerns related to former BCMT)

**Massage School Colorado:** When DPOS began investigating MSC, it contacted DORA since they also regulate the licensees of massage therapy. We created a task force to increase communication between our agencies on matters and industries that we co-regulate & in the interest of maximizing/leveraging resources. As we know our proceeding could potentially impact graduates/licensees, we requested cooperation so that we could protect our students. Later learned from students and schools that DORA had taken actions and had proposed additional training for licensees who had graduated from MSC. DPOS recommended an MOU; DORA appeared before the Board to discuss this matter. Since this time, the Division has continued to work with DORA to get resolution so students and schools are clear as to what is expected and to whom to work with to ensure appropriate delivery of additional education mandated by DORA. We have met, have exchanged draft letters and await DORA's review and approval to issue joint letter to students and schools regarding DORA mandates education that will be exempt from DPOS oversight. In the meantime, DHE communication's director has received inquiries from Tom Martino's Troubleshooter team members after receiving a call from one student who remains concerned that she is unable to practice massage therapy despite paying for the full program.

**Hair Dynamics:** DE began the process of reinstating the school's Title IV participation and the school is now active in Title IV. DE, however, has informed the school that it intends to issue a program review determination (a desk review) assessing liabilities relative to DE's view that Tina Matuska's death should have been formally reported in October 2014 to DE. If they proceed with that, the school can appeal the liabilities to an administrative law judge, but all of that is probably some 3 to 6 months down the road.

**Assessments:** The Division has prepared a memorandum to recap the discussion we held at the annual retreat surrounding assessments. The issues surrounding late assessments have become more problematic and the Division would like to issue several Notices of Noncompliance – and send the message that this violation is actionable and will result in legal action and potential fines.

Following review and consideration of the memorandum, Ms. Malay motioned to delegate authority to the Division Director to issue Notices of Noncompliance. The motion was seconded and carried.

**Washington Update:** Highlight of current issues in Washington DC.

**Board member vacancy for a public member.** Please forward information of anyone qualified and interested.

Action Items:

A. Exception Hearing

1. Massage School of Colorado – Broomfield

The DPOS Board was represented by conflicts counsel; the Board considered the matter and rendered the Final Agency Decision, which concluded the administrative process. A representative from the school appeared and was given 10 minutes to address the Board.

The Private Occupational School Board found that the Massage School of Colorado did not meet its burden to overturn the Initial Decision. Therefore, the Board affirmed the July 28, 2015 Initial Decision of Administrative Law Judge Mathew E. Norwood; the Board's order is the final agency decision in this matter.

New Business:

B. Consideration of Approval Programs / Stand Alone Courses

1. Holmes College - Denver

Program Specialist Googins presented to the Board for review and consideration one new program: Urban Environmental Preservation Program. A school representative was present. The Board determined that the school has adequate surety coverage.

Following review and consideration Mr. Wolf motioned to deny the above-referenced program until the school is able to amend the program to add lab hours. The motion was seconded and carried.

2. College of International Esthetics, Inc., - Arvada

Ms. Malay recused herself from this matter only. A quorum was still present.

Program Specialist Hill presented to the Board for review and consideration one new course; Dermaplaning - Beginning. A school representative was present. The Board determined that the school has adequate surety coverage.

Following review and consideration of the new course, Mr. Semakula motioned to approve the above-referenced course effective January 26, 2016. The motion was seconded and carried.

### 3. CodeCraft School of Technology - Boulder

Program Specialist Hill presented to the Board for review and consideration one new program: JavaScript-Based Full Stack Web Development Intensive Part Time. A school representative was present. The Board determined that the school has adequate surety coverage.

Following review and consideration of the new program, Ms. Malay motioned to approve the above-referenced program effective January 26, 2016. The motion was seconded and carried.

### 4. Command Cuts Academy of Barbering - Centennial

Program Specialist Hill presented to the Board for review and consideration two new stand alone courses: 1. Add-On Barber Cosmetologist; and 2. Add-On Barber Hairstylist. School representatives were present. The Board determined that the school has adequate surety coverage.

Following review and consideration of the new courses, Ms. Malay motioned to approve the above-referenced courses effective January 26, 2016. The motion was seconded and carried.

### 5. Toni & Guy Hairdressing Academy – Colorado Springs

Program Coordinator Esquibel presented to the Board for review and consideration one new program; Barbering. A school representative was present. The Board determined that the school has adequate surety coverage.

Following review and consideration of the new program, Ms. Malay motioned to approve the above-referenced program effective January 26, 2016. The motion was seconded and carried.

### 6. Colorado School of Clinical Herbalism - Boulder

Program Coordinator Esquibel presented to the Board for review and consideration one new stand alone course: Rocky Mountain Field Botany. School representatives were present. The Board determined that the school has adequate surety coverage.

Following review and consideration of the new course, Ms. Malay motioned to approve the above-referenced course effective January 26, 2016. The motion was seconded and carried.

### 7. Massage Therapy Institute of Colorado - Denver

Program Specialist Googins presented to the Board for review and consideration one new program: Certified Massage Therapist – 750 Hour. A school representative was not present. The Board determined that the school has adequate surety coverage.

Following review and consideration of the new program, Ms. Malay motioned to approve the above-referenced program effective January 26, 2016. The motion was seconded and carried.

### C. Consideration of Approval of Provisional Certificate of Approval

#### 1. Digital Workshop Center – Fort Collins

Program Specialist Googins presented to the Board for review and consideration a new school with thirteen new programs and twenty-seven new stand alone courses: 1. Fundamental Graphic Design Certificate; 2. Advanced Graphic Design Certification; 3. Fundamental Web & Graphic Design Certification; 4. Fundamental Web Design & Development Certification; 5. Advanced Web Development Certification; 6. Fundamental Business Administration Software Certification; 7. Fundamental Digital Marketing Certification; 8. Fundamental Video Design Certification; 9. Rails Web Development Bootcamp; 10. Frontend Web Development Bootcamp; 11. UX/UI Design Bootcamp; 12. Android Development Bootcamp; 13. iOS Development Bootcamp; and twenty-seven additional stand alone courses on file with the Division. A school representative was present. The Board determined that the school has adequate surety coverage and can be reasonably maintained in compliance with the minimum standards as prescribed by the Private Occupational Education Act of 1981, as amended.

Following review and consideration of the new school, programs and courses, Ms. Malay motioned to approve the Provisional Certificate of Approval for the period beginning January 26, 2016 and ending June 30, 2017 and to approve the above-referenced programs and courses. The motion was seconded and carried.

#### 2. Internet Technology School - Englewood

Program Specialist Googins presented to the Board for review and consideration a new school with two new programs and four new stand alone courses: 1. Java-Based Web Application Development; 2. Internet Application Development; and four additional stand alone courses on file with the Division. A school representative was present. The Board determined that the school has adequate surety coverage and can be reasonably maintained in compliance with the minimum standards as prescribed by the Private Occupational Education Act of 1981, as amended.

Following review and consideration of the new school, programs and courses, Mr. Semakula motioned to approve the Provisional Certificate of Approval for the period beginning January 26, 2016 and ending June 30, 2017 and to approve the above-referenced programs and courses. The motion was seconded and carried.

#### 3. Lizzie's Beauty Shop - Durango

Program Specialist Hill presented to the Board for review and consideration a new school with one new program: Cosmetology. A School representative was available by phone. The Board determined that the school has adequate surety coverage at this time and can be reasonably maintained in compliance with the minimum standards as prescribed by the Private Occupational Education Act of 1981, as amended.

Following review and consideration of the new school and program, Ms. Malay motioned to approve the Provisional Certificate of Approval for the period beginning January 26, 2016 and ending June 30, 2017 and to approve the above-referenced program. The motion was seconded and carried.

Mr. Semakula motioned to take a break at 11:37a.m. The motion was seconded and carried.

Ms. Malay motioned meeting back in session at 11:45 a.m. The motion was seconded and carried.

#### D. Consideration of Change of Ownership

##### 1. Life Time Academy – Centennial – Colorado Springs – Westminster

Program Specialist Googins presented to the Board for review and consideration a change of ownership for all three locations. A school representative was not present. The Board determined that the school has adequate surety coverage and can be reasonably maintained in compliance with the minimum standards as prescribed by the Private Occupational Education Act of 1981, as amended.

Following review and consideration of the change of ownership, Ms. Krovitz motioned to approve the Change of Ownership Certificate of Approval, contingent on the verification of their assets and Title IV funding. The motion was seconded and carried.

#### C. Notification of School Closings / Change of Status (No action required)

Program Specialist Hill reported the closing of Concentric Healing Institute in Boulder.

Program Specialist Googins reported the closing of Quality Drivers –Celadon in Henderson.

No action taken.

#### Other Business Information Only:

**Kaplan Professional:** Submitted a request under Rule E.2.f., Emergency Instructor Provision.

Following review and consideration of the request, Ms. Malay motioned to approve the request as it met the provisions required under Rule E.2.f. The motion was seconded and carried.

**Redstone and Westwood:** The Division has been monitoring the situation closely to ensure students' needs are being met and to review financial status, etc.

- I. **Redstone:** In December, the Division met with Steve/Micki to transfer TAF bond to new bond company naming DPOS & has since confirmed that TAF bond has been adequately replaced by a new bond. Therefore, 2 separate bonds are in place (until April at which point they plan to have sale completed); in our recent meeting on January 19, 2016, we learned that Sterling Partners ("Sterling"), Spartan Education Group ("Spartan") has issued a letter of intent to purchase Redstone. We have the letter of intent, but understand it is not a binding contract. Spartan already has 2 aeronautic and technology Colleges (one in California – accredited by COE) and another in Tulsa, OK – accredited by ACCSC). Redstone currently has about 380 students (just enrolled 40 new students in January); business as usual and the student body does not appear to be negatively impacted by ALTA announcements
- II. **Westwood:** On November 11, 2016, Alta announced its plan to gradually close 14 Westwood campuses owned and operated by Denver-based Alta Colleges. All of the Westwood campuses – which have a combined enrollment of 6,500 students, according to the company website -- are similarly affected. There are four campuses in California, the

others being in Anaheim, Torrance and Los Angeles. There are also Westwood sites in Illinois, Virginia and Georgia, the company has online programs as well. Only the company's Redstone College, in Broomfield, is not part of the closure plan. Back in December we learned that Norm Bloom is working with a consultant to find the most optimal train out/transfer arrangement for students currently enrolled in Westwood. Westwood has not taken any new students since Alta's announcement. During our meeting on January 19, 2016, we learned that Westwood has identified a partner school, National American University, to facilitate the transfer arrangements of almost all students. For a few students in programs not offered by NAU, Westwood will facilitate transfer agreements with other schools (such as the Art Inst. for gaming programs, Heritage from Dental assisting, and Lincoln Tech for automotive programs.) Additionally, Westwood has identified DeVry University a Plan B for training students out should the need arise to make alternative arrangements. Westwood has provided us with an updated Student Roster broken out by program and graduation date. It has also provided a grid delineated the number of students in each program and the proximity to each of the available train out locations. Lastly, we have an updated spreadsheet showing the anticipated graduation date for the various cohorts of students currently enrolled. (All information is available upon request.) There are currently 169 student enrolled at the Denver North campus; 111 students at the Denver South campus and 427 students being served online.

**BL International Beauty College:** AAG Kimberly Spiering filed a Motion for Default Judgment on behalf of the POS Board. The ALJ granted the motion. Therefore, the Initial Decision of the ALJ is that BL's license to operate as a private occupational school is revoked

**Title 12:** Members of the OLLS testified before the Joint legal committee to completely revise title 12. This is a massive undertaking that raised many concerns. Nonetheless, the committee approved proposed bill to study the feasibility of such an undertaking.

**CollegeAmerica:** We have information that CollegeAmerica continues to be on probation with ACCSC. An update was provided. CollegeAmerica is on warning status with ACCSC.

**Recording Radio Film Connection:** Advertising that they are an approved school in California – when in fact they are not. Also claimed to be affiliated with recording studio in Denver area as teaching locations in Denver but the studios have no affiliation with the school.

Following review and consideration of the matter, the Board requested staff to gather additional information relating to their California application and Colorado site affiliations.

#### **Recommended Action Item:**

**Real Estate School Scholarships:** Discussion with Board concerning recent scholarships. Request the Board to consider this matter and provide guidance to the Division as to whether there is an actual or potential violation of our rules and regulations.

Following review and consideration of the matter, the Board requested staff to gather additional information.

**CIT University** (Thomas Guerriero): Soon after the last Board meeting, the Division reviewed the web site for the school (that was posted only after provisional approval was granted). As concerns

were identified, the Division withheld the official letter of approval and has not yet issued the physical certificate to operate. The Division has since conducted an extensive investigation and has prepared a report for review by the Board. Based on the violations of our rules and regulations as well as new reports on the status of the school owner, the Division requested that the Board confer with legal counsel to consider the legal options it has as well as the ramifications of the options discussed.

Following review and consideration of the report, Ms. Malay motioned to summarily suspend the school's Certificate of Approval for willful and deliberate violation of the Division's minimum standards. The motion was seconded and carried.

**UPDATE on the 150% Rule:** Director Candler reported on an update she received regarding the 150% Rule; during the meeting the Director learned that the DE is going to make school return all Title IV Federal Student Aid for students in AOS programs. So despite the fact that CSMA was notified on 12/17/15 that they were no longer permitted to disburse Title IV funds (even though part agreement had been approved for that period), it will be required to return funds dispersed by DE. We are not certain whether this will be limited to students currently enrolled when the DE rendered its initial decision to discontinue disbursement of funds for students in programs exceeding 150%.

Adjournment:

Mr. Semakula motioned to adjourn the meeting at 12:42 p.m. The motion was seconded and carried.

The next regularly scheduled meeting of the Board is Tuesday February 23, 2016, at 9:30 A.M. and will be held at:

Auraria Higher Education Campus  
Tivoli Student Center, Room 320  
900 Auraria Parkway, Denver, CO 80204  
Telephone (303) 862-3001