

## **State Board of Private Career Education**

### **Meeting Minutes**

**January 25, 2023 – 10:00 a.m.**

**Members Present:** Alice Obenshain, Brock Thompson, Jacqueline Brownell, Jasmine Wilson, Sterling Penix

**Others Present:** Alana Boles, Mason Campbell, Julie Chavis, Tracye McKeown

#### **Welcome and Approval of Minutes of December 14 Meeting**

Chair Alice Obenshain called the meeting to order and recommended approval of the minutes from the December 14, 2022, meeting. Brock Thompson made a motion to approve the minutes. Jasmine Wilson seconded the motion. The minutes were approved.

#### **Report of Private Career Education Work at ADHE**

Alana Boles reported the number of individuals calling ADHE interested in opening a new private career education school has decreased since the last board meeting.

Ms. Boles announced the new Secretary of Education is Jacob Oliva and said ADHE is looking forward to what Secretary Oliva has in store for higher education.

Tracye McKeown updated the board that the number of requests for closed school transcripts for the first three weeks in January was approximately 20.

Ms. Boles reported that she received approximately six months' notice from Eastern College of Health Vocations that they would be closing the Little Rock location and would teach-out all their students. Eastern College is based in Louisiana and its original license date was 1989. Brittney Matthews, who was a member of this board and director at Eastern College, organized 51 boxes containing all student records from the past three years as required by SBPCE rules. Ms. Boles said the boxes will be delivered to ADHE and transcripts pulled from the student files so they will be available when former Eastern College students call requesting their transcripts. Brock Thompson asked how many student files were in the 51 boxes and if the Louisiana location is also closing. Ms. Boles said she would report on the number of student files at the next meeting after she has had a chance to go through the boxes. Ms. Boles added that the Louisiana location is not closing.

#### **Board Approval of Schedule for 2023 Board Meetings**

Ms. Boles proposed the following dates to the board for 2023 meetings: January 25, April 26, July 26 and October 25. Brock Thompson made a motion to approve the dates. Sterling Penix seconded the motion. The 2023 meeting dates were approved. Ms. Boles said she will send calendar invites to the board members for each meeting date.

### **Input from SBPCE Members**

Alice Obenshain, owner of the federally accredited Arkansas Welding Academy, updated the board on changes to the U. S. Department of Education Rule 90/10 which regulates private for-profit colleges. Ms. Obenshain explained the calculation for Rule 90/10 is that 100% of all income coming from students for the year is to be put on the school's disinterested third-party federal audits, and no more than 90% can come from federal funds. Ms. Obenshain said starting January 1, 2023, for schools who follow January 1 through December 31 calendar year, and July 1 for schools following July 1 through June 30 academic calendar, the update of the Rule is that military training benefits as of 2023 shall be considered federal monies and therefore counted in the 90% of the calculation instead of the 10%. Ms. Obenshain added that the Department of Workforce Services for dislocated workers' training benefits are required to be counted towards the 90% unless providing proof of fund breakdown (for example, if 50% of funds come from federal and 50% from the state, then they would be allocated 50% towards the federal or 90% of the 90/10 and 50% towards the 10% of the 90/10). Ms. Obenshain stated that if the school does not make the 90/10 calculation the first year, the school is put on heightened monitoring which could result in a 30-day delay for the school to receive federal funds. If the school does not come into compliance in the second year, the school will lose federal accreditation.

Brock Thompson asked if any action is being considered or taken because of the change in Rule 90/10. Jacqueline Brownell commented that policymakers should be contacted and made aware of this change to Rule 90/10. Ms. Obenshain added that schools should be looking for other funds to go towards the 10% calculation. Ms. Obenshain also said one way to meet the 10% calculation would be to partner with employers for assistance. Ms. Obenshain commented that the new update in Rule 90/10 could compel schools to seek non-profit status.

### **Meeting Adjourned**

Ms. Obenshain asked for a motion to adjourn. Jacqueline Brownell made a motion. Sterling Penix seconded the motion. The meeting adjourned at 10:47 a.m.