

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

**NEVADA COMMISSION ON POSTSECONDARY EDUCATION MINUTES**

Topic: August CPE Commission Meeting  
Time: Aug 10, 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, Educational Institutions and Other Agencies Present**

Todd Weiss, Nevada Attorney General Office, Deputy Attorney General  
Molly Rose Lewis, Senator Rosen's Office  
Dr. James Murrell, Gurnick Academy of Medical Arts  
Lauren Moody, Aveda Institute of Las Vegas  
Taylor Borts, Battle Born EMS Health and Science Learning Institute  
Aaron Goldstein, Battle Born EMS Health and Science Learning Institute  
Karen Dalmaso-Hughey, Battle Born EMS Health and Science Learning Institute  
Eric Dievendorf, Battle Born EMS Health and Science Learning Institute  
Katie Slaughter  
Tyler Shaw, FRPA  
Scott Campbell, Grand Canyon University  
Ted Vanderlaan, Gurnick Academy of Medical Arts  
Ylonne Hodges, PDH Academy  
Gail Renzi, Aveda Institute of Las Vegas

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

Nate Clark, Chair  
Sharon Frederick, Vice Chair  
Janiese Clyne  
Thomas Kenny  
Jon Ponder  
Joseph Rhodes

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

August 10, 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 9:00AM.

**Public Comments**

Commissioner Clark asked for public comment – none.

**Written Comments**

This is Susan Beckett, no written comments.

**Confirmation of Posting**

Kelly Wuest, for the record, Administrator, Commission on Postsecondary Education. Yes, proper Notice and Posting were completed for this Meeting.

**Roll Call**

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

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

**Adoption of Agenda:**

Motion: Commissioner Frederick – Move to approve adoption of Agenda for August 10, 2022.

Second: Commissioner Rhodes.

Discussion: None.

Results: Unanimous, agenda is adopted.

**Approval of Minutes May 4, 2022, Meeting**

Motion: Commissioner Frederick – Motion to approve the minutes for May 4, 2022, meeting.

Second: Commissioner Ponder

Discussion: None.

Results: Unanimous, motion carries.

### **Approval of Meeting Dates 2023**

Discussion: Commissioner Clark asked Administrator Wuest if we had discussed these as he already had them in his calendar. Administrator Wuest stated she had emailed the dates prior to this meeting to confirm no conflicts for Commissioner Clark.

Motion: Commissioner Kenny – Motion to approve the 2023 meeting dates.

Second: Commissioner Frederick.

Discussion: None.

Results: Unanimous, motion carries.

### **Administrators Report**

Administrator Kelly Wuest read and explained the submitted Administrators Report (as submitted in the Public Packet Posting):

Commissioner Clark as if CPE has reached out to the State of California Bureau of Postsecondary Education pertaining to Morrison University, or their AG since they are located in California. Administrator Wuest, I reached out to BPE they are not an institution they are private individuals doing this, more of a scam. They are not claiming to operate in California. Susan has tracked them, and they are doing this with other institutions from other states, as well.

Commissioner Frederick stated she attended the SCO Conference, and it was very well done. She appreciated the invite, and it was very informative.

### **Applications for Full Term License**

#### **Aveda Institute**

Testified: Gail Renzi, Nevada Executive Director, Lauren Moody, Operations gave an update and background from the school.

Commissioner Clyne do you have a dollar figure on that that license costs? Lauren Moody about \$750 for students to take the test. They are made aware of all the costs up front. Students sit down with the financial advisor, and they receive an estimate of what funding is available and what their costs will be.

Motion: Commissioner Rhodes – A motion that Aveda Institute of Las Vegas be granted a full-term license.

Second: Commissioner Ponder.

Discussion: None.

Results: Unanimous, motion carries.

#### **Grand Canyon University**

Testified: Scott Campbell, Director; gave a background and update of the timing for student starts.

Motion: Commissioner Rhodes – A motion that the provisional license for Grand Canyon University be extended for an additional nine months.

Second: Commissioner Frederick.

Discussion: None.  
Results: Unanimous, motion carries.

Gurnick Academy

Testified: Ted Vanderlaan, Vice President, Strategy and Innovation, Nevada Director Dr. James Murrell both in attendance. Mr. Vanderlaan gave a background of the school.

Commissioner Clark, we are down to two students do we know what happened to the third student? Mr. Vanderlaan responded; they went on a LOA.

Motion: Commissioner Kenny– A motion that a full-term license be granted to Gurnick Academy of Medical Arts.  
Second: Commissioner Ponder.  
Discussion: None.  
Results: Unanimous, motion carries.

KDI Academy

Testified: Administrator Wuest, gave an update that Mr. Ketter reached out to Maricris Wu this morning. We had lost contact with him. Our whole recommendation is based on the fact he canceled his bond and relinquished his facility. Maricris Wu furthered, Mr. Ketter was aware of the recommendation that we are presenting at this meeting and had a conflict. He wants to meet with Administrator Wuest and Maricris Wu as a follow up to this meeting.

Motion: Commissioner Frederick – That the provisional license for KDI Academy be terminated.  
Second: Commissioner Rhodes.  
Discussion: Commissioner Clark, were we able to verify no students or did we just assuming because he did not report any. Administrator Wuest, he gave his facility up in April and he reported through December. Due to the length of the program, we do not believe he had any students because of the time frames.  
Results: Unanimous, motion carries.

PDH Academy

Testified: YLonne Hodges, Director and Program Manager gave background and update for the institution.

Motion: Commissioner Frederick – Motion for full-term license for PDH Academy be granted. (Motion Rescinded)  
Motion: Commissioner Frederick – Motion that the provisional license for PDH Academy be extended for an additional nine months.  
Discussion: Commissioner Frederick asked if six month or nine months would be best. Administrator Wuest stated the institution has a short program and that six months should be sufficient to provide the information required.

Motion: Commissioner Frederick – Motion that the provisional license for PDH Academy be extended for an additional six months.  
Second: Commissioner Ponder.  
Discussion: None.  
Results: Unanimous, motion carries.

### **Applications for Initial Provisional Licensure**

#### **Battle Born EMS Health and Science Learning Institute**

Testified: Taylor Borts, Project Manager and Eric Dievendorf, Director. Provided background information how they were training their own staff at AMR. It was after COVID we decided to expand our internal training to public.

Commissioner Frederick, do you plan to recruit students from the veteran population? Ms. Borts, yes, absolutely. We do have some now. We have an earn while you learn course. Where we are paying students who are working for us.

Motion: Commissioner Frederick – That a twelve-month provisional license be granted to Battle Born EMS Health and Science Learning Institute to offer the Basic Emergency Medical Technician and Advanced Emergency Technician certificate programs, contingent upon receipt of surety bond in the amount of \$18,100, personnel and background investigation, facility information, and curriculum approvals from Southern Nevada Health District.  
Second: Commissioner Kenny.  
Discussion: None.  
Results: Unanimous, motion carries.

### **Subcommittee information**

#### **Report of information gathering from subcommittee NAC 394**

Testified: Kelly Wuest provided background information from the February 2022 meeting when the issue was brought before the commission to consider changing the NAC. Some of what is in regulation is built for the accredited schools. It doesn't bode very well with a small operation. It asks for the CPA reviewed financial for a startup business. That is one area that brought it here, along with the fact that it is difficult to determine if a school is financial stable. It was out of that meeting that determined the need for a subcommittee.

The first meeting of the subcommittee was held July 12, 2022. There was a lot of things that were thrown out in that meeting. Commissioner Clark brought up the different types of scores like Altman Z score and asset test ratio, The subcommittee discussed financial aid and how composite scores happen. When discussing the formula aspect, a general consensus was that we likely do not have the expertise to determine what is the best formula to use.

The subcommittee ask for input from different schools and different people. There was an idea brought up that there are some changes going on with Federal Financial Aid and there are some proposed rule regulations and rulemaking is happening with Department of Education that could shift what Department of Ed uses to determine financial stability.

Commissioner Clark spoke about the fact that loan forgiveness is changing, and we are going to have this ever-evolving world especially with the credit institutions in Federal Financial Aid and where does take us in determining it. Our conversation shifted to would we have the staff competency to be able to handle this. We talked about the Compliance Audit Investigator position requested from the legislature that is proposed a half VA and half State. Staff indicated that screening questions would focus on a financial background in auditing versus more of an educational background.

Commissioner Soares provided a response and recommendation to move forward. Overall writing consensus was that the Commission needs to find a mechanism to help determine what is financially sound and be able to apply that to our schools. When a school is not financially sound, we can bring them to the Commission for a determination. It was also suggested that we may want some assistance from people in the banking industry.

Commissioner Clark, yes, I think the banking industry when they are determining viability for a loan is looking at something a little bit different than what we would look at to determine if they are going to be a concern. It may be helpful to discuss how they calculate their lone worthiness. I don't know that applies to the financial responsibility of a school. We know it was a suggestion and it is something to look at. A lot of people have had a lot of discussions over the years about, how do you look at the financial stability of the school and us? The Department of Education spent two and a half years developing what eventually turned into the composite score back in the early to mid-nineties. I know I use the old Z score for the work with the accrediting commission. I have never fully understood it. I have a chart that I use. I look at the score compared to the chart and then I just look at the financials to see if there's anything standing out cash flow problems, things like that.

I would also like to point out that on page 20 of the packet that you sent out the article about student loan cancellation due to a school's false promises and misrepresentation is false. That was misreported. The discharges are part of a compromise agreement that the Department of Education went into so that they don't have to respond to the litigation. They never determined whether any of those claims were warranted or allowed the schools to provide evidence to counter those claims. They are just mass approving, it is in court right now and preliminarily the judge has said yes, it's probably going to go forward and get approved, but it is a compromise and schools were never afforded an opportunity to even address the

allegations. So, where does that leave us? What do we do next? Do we make recommendations as a commission, or do we continue forward with more committee work?

Commissioner Frederick, ask about how the other states are handling this issue? Administrator Wuest, both NASASPS and NASAA (which is the VA, counterpart) have been delving into the issue of how do you make this determination? Mr. Rishling and I went to a training on how you read balance sheets, how to determine or to detect if somebody is possibly misrepresenting. Items like looking at students counts versus reported income, because we actual have some access to those numbers. We do at the state level too. So, we have been going to some training to get a better grip on things. A couple of States have a formula they are using. Those states are dealing with strictly accredited institutions, instead of unaccredited NCD programs. A few schools indicated they can provide a response to the request for recommendations by September.

Commissioner Clark, that's interesting that the schools that do have a formula are using it for accredited school's accreditation. Most accreditors are going to require a financial submission from their school. Those are the schools that are already being monitored, but like you said what about the mom-and-pop schools? Are we forgetting about them? And how do we test their financial viability? One of the suggestions that was made in the meeting was to require schools to submit a business plan, and that might give us better information about their viability than looking at their finances. If a school is cash strapped, they can always apply for a loan. You can come up with cash, you can bring investors in, there are ways around that right? In a business plan is what is going to dictate whether you are going to have cash flow in the first place. What you look for when you are testing a business plan. Do you need as MBA to really analyze a solid business plan? What does an SBA look for when they ask for a business plan? If somebody is going to apply for a business. Those are all thoughts and tools, areas that we may want to consider. I feel like we didn't really come out with answer we just came out with more questions.

Commissioner Frederick, yes, I agree, but I think we need to address this.

Commissioner Clark, we require bonds for new schools, that provides protection. If we were to analyze their financials, and their viability and their cash flows. Even if we are wrong, they have a bond, and we are still protected with that bond. I think that we need to remember that the riskier schools are the ones that are in provisional licenses, and they have a test period to see if they can make it through their audits. When do we release the bond? Is it once they get a full-term license, or what conditions must meet for the bond to be released?

Administrator Wuest, we haven't been releasing bonds since 2016 That is one of our problems. How do we determine what they look like financially to release?

COVID did not help, because those years look awful for a lot of institutions. So, people that might have been able to get a release of a bond, really did not get one because they don't look good during the time, when we would evaluate. Commissioner Clark, so we don't even have a mechanism for releasing the bond? Administrator Wuest, we do not have a set mechanism to release the bond.

Commissioner Clark, this agenda item is for possible action. Is there any recommendation we are looking for as far as a motion if we were going to make one?

Administrator Wuest, When the agenda item was created, it was to share information gathers and whether we should we have more subcommittees? Right now, the way we have the subcommittee structured there is no decision making at all in it. That was because of open meeting. Open meeting requires us to do certain things and we how we report. Right now, we do not have a lot of data to share, and it is not categorized at this point. There are so many facets and areas to focus. The NAC has not been looked at in eleven years. Right now, the NAC causes problems with the NCD's that have never been open. We are looking at financials that do not really give us much data. If we do a NAC change it has to go through the Commission and then we hold workshops and the entire legislative process.

Commissioner Clark, it seems like another subcommittee meeting is in order. Commissioner Kenny, I do not think I have enough information that I have heard to make a motion. Commissioner Frederick, me to I think it is premature. Kelly, do you have any information about the investigator position? Administrator Wuest, it is part of our budget request. Budgets will be determined in the next session starting February. Hopefully, it will not be cut. We do have it 50% funded by VA and if we do not use that money, it goes back to VA. The position would not get funded until July 2023 and then we would have the hiring process which they would not likely start until September or October of 2023.

Commissioner Clark – I do not have any motion. It just dies.

Motion: None

**Public Comment**

None.

The meeting was adjourned by Commissioner Clark. Time: 10:08 a.m.