

**Minutes of the New York State Proprietary School Advisory Council Meeting  
March 25, 2009  
Hosted by: Global Business Institute**

**Present:**

Mike Hatten, Chair  
Vincent Ferrara, Member  
Rabbi Yerachmiel Barash, Member  
James Devaney, Member  
Carole Yates (BPSS), Ex-officio Member  
Lisa Harris (CPB), Ex-officio Member  
Matthew Downey (HESC), Ex-officio Member

**Absent:**

Anthony Casale, Member  
Dennis Buckley (OSC), Ex-officio Member

**Guest Speakers:**

Karen Nussbaumer, Center for Ultrasound Research & Education  
Anthony Pinelli, Cactus Academy

Mike Hatten called the meeting to order at 10:32 AM. He informed the Council that 4 out of 5 voting members were present, which constituted a quorum for voting purposes.

Mike introduced the director of Global Business Institute, George Blount, to the Council and audience. Mr. Blount gave a quick introduction of the school, including the fact that the new, larger, facility encompasses four floors and currently holds 500 students.

Mike Hatten expanded on Mr. Blount's introduction to include the fact that Global Business Institute had been in operating since 1985 at its prior facility on 125 Street and 7<sup>th</sup> Avenue. The school, where 80% of the students are admitted through the Ability to Benefit process, offers only one program, the TAP eligible Computerized Office Specialist with Internship program. Classes run from 9am-2 pm, however the school is open from 8am-5pm for additional academic assistance and make up work.

Vincent Ferrara made the motion to accept the minutes of the December 2008 meeting, Rabbi Barash seconded, and motion carried - approved. They will be added to the BPSS website, under the Advisory Council section.

There were no open items from the previous meeting.

Carole Yates gave the BPSS update:

- Governor Paterson announced that the State may have to cut 8,900 positions, due to budget shortfalls. Carole stated that if it occurred, BPSS may lose some staff, either due to elimination of positions, or because of "bumping."

- The Attorney General's Office is currently prosecuting Home Health Aide agencies and schools found accused of Medicaid fraud – the current estimate is at least \$30 million in fraudulent claims. BPSS staff members including Carole Yates, Thomas Reimer, Ed Kramer, and Monica Borden have been subpoenaed to testify at the upcoming trial.
- BPSS was recently notified that a school in Brooklyn disappeared and closed without providing notice. The major concern is for the students - did they complete, and where are their records? BPSS is looking into it.
- CSB School of Broadcasting closed in mid-March, with no notice, padlocking their doors during the night, and filing for bankruptcy protection. The corporate owner operated 26 schools in 14 states, and due to the joint effort of all states involved in the closures, the bankruptcy judge appointed a trustee, required the schools to teach out all current students, and refund tuition to those students that enrolled but had not yet started. This teach-out may have saved the TRA from being hit for up to \$400,000 in tuition refunds. There is the possibility that BPSS may have to refund the students that have not yet started, if the corporation cannot do so immediately, but then BPSS and the TRA would be listed as creditors in the bankruptcy.
- Current budgetary reviews indicate that the legislature swept \$500,000 from the TRA, during the past fiscal year, leaving a balance of \$1.7 million. Carole assured the Council and audience that BPSS will watch the TRA carefully, to avoid the balance from falling to the \$1.3 million mark, which is when the schools will be required to pay additional assessment.
- Carole and Thomas Reimer have been involved in the development of the Home Health Aide registry, currently being designed by the Department of Health. The Attorney General proposed a bill, signed into law last legislative session, which requires all HHAs to be listed on a statewide registry. The regulations are scheduled to be adopted in early September 2009, and the registry should be operational by late September 2009. Schools will be required to enter the names of all graduates themselves, and there will training provided on the use of the system. BPSS is not sure that the implementation of this registry will alleviate the violations that are occurring with these programs, such as the selling of certificates, or the violations that are occurring at the internship sites.

Carole asked Monica Borden to discuss a recent update regarding BPSS' computer system and current WIA funding issues. Monica related the following:

- The Governor's current budget allocates funding for the design and build of a computerized statewide licensing system. Current interested parties include: State Education Department (Office of the Professions and BPSS), Department of State, Governor's Office of Regulatory Reform, Agriculture and Markets, and the State Liquor Authority. The budget, if passed, will pay for the initial startup of this system, but the individual agencies will be required to pay for annual licensing fees, and upgrades. For BPSS, this is workable because the only reason for the loss of the previous project was the up front funding. The new system will be an off the shelf system, fine-tuned for agencies' individual needs. There has been a demo by one vendor so far, and the demonstration indicated that all of BPSS' needs can be met. Additional demos are planned.

- While there have always been numerous questions regarding the distribution of WIA funds through the NYC Department of Small Business Services, recent additional concerns have been brought to the attention of BPSS from schools. In the past, there have been instances where BPSS licensed schools were accepting WIA vouchers for more than the general public was paying. Now there are allegations that some schools are cutting the cost of their program for WIA students drastically, in order to fill their classrooms. The allegations go on to state that these schools are offering inferior programs to these students.

Mike Hatten suggested the formation of an Advisory Council subcommittee to meet with SBS to discuss the voucher issues and compile some information on actual tuition costs, if needed. Vincent Ferrara agreed to chair the committee and Monica Borden agreed to be the BPSS liaison. Monica and Carole Yates are scheduled to have a conference call with SBS on March 27, 2009, and will discuss the subcommittee with them, at that time.

James Devaney asked if SBS requires that the schools be licensed. Carole Yates responded that they do, and they are also getting better at scrutinizing applications, due to multiple meetings with BPSS. SBS now requires copies of the schools' curriculum approval letters and enrollment agreements, stamped with the Bureau's approval.

Mike Hatten updated the Council and audience on the pending appointments to the Council. Currently no appointments have been made, and he does not anticipate any until the budget passes. There are currently 2 Senate Majority appointments open, 1 Senate Minority appointment open, 1 Assembly Majority appointment open, and 1 Governor appointment open. While the legislative appointments may take some time, the Governor's appointment, a student advocate can be filled quickly. Mike urged anyone who knows of a possible candidate, to contact him as soon as possible.

Mike Hatten asked Monica Borden to introduce the two recently licensed schools in the audience:

- Anthony Pinelli – Director of The Cactus Academy, a Paul Mitchell Partner School. Mr. Pinelli shared that The Cactus Academy was licensed in November 2008, started its first class in December 2008, and has currently started its third class. There are currently 44 students. Mr. Pinelli thanked BPSS for its assistance during the licensing process and stated that it was a challenge for the school administration to completing the facility. The school is located in the Roosevelt Field Mall in Garden City, and meeting the requirements of mall management took a lot of time and effort. Coming soon – the Skin Care Institute.
- Karen Nussbaumer – Program Director and Instructor of the Center for Ultrasound Research & Education (CURE). This school is located in New Rochelle, NY and was licensed in January 2009. Ms. Nussbaumer stated that the school is small and accommodates up to 15 students. She currently has 4 students registered for the April 6 start. She explained that Ultrasound Technicians must be registered in order to work, and her program will allow her graduates to immediately qualify to sit for the registry exam. Her future plans are to open individual clinics to all her students for immediate placement

Mike Hatten introduced Chris Eckels, Jon Phillips, and Tim Laseke – managing partners of Cyanna Education Services, LLC. (bios attached) [www.cyanna.com](http://www.cyanna.com). Cyanna is a full services business consulting and software management company.

- Mr. Eckels discussed the fact that schools can maintain profitability and compliance, as long as they establish standards of operating procedures that are well-documented, clear, and concise.
- Mr. Phillips discussed the differences between policies (for use in working with students and general public) and procedures (for use in working with school staff). He stated that both policies and procedures must be documented and understood by both students and staff prior to enrollment.
- Mr. Laseke discussed the need for policies and procedures to be simple, clear and accessible – preferably maintained in a single document or location. Schools should list trigger points (e.g. what happens, who is notified, what is the outcome?) and also establish a protocol of accepting and working with feedback obtained.

Mike Hatten stated that working with quality consultants is beneficial to both regulators and schools, especially when the consultants **assist** schools with the regulatory process, instead of doing the work for the schools.

Mike told the Council that he and Joe Frey discussed the fact that proprietary schools need more access to secondary school counselors, especially to reach students in grade 13 and 14. In NYS, there are approximately 150,000 students in grades 13 and 14, and the NYC graduation rate is only about 50%. Joe suggested that the Council approach counselors and legislators with documented, *positive*, proprietary school outcomes. Mike suggested that the Advisory Council put together a subcommittee to begin these discussions and compile applicable documentation (e.g. programs that work, # of students in proprietary school programs, cost effectiveness), and asked BPSS to add a notice to the website that two subcommittees are being formed and need the assistance of proprietary school administrators. Mike mentioned that one significant failure of the current secondary system is that it directs struggling students to community colleges, while ignoring the licensed career sector.

Carole Yates addressed the Cyanna representatives and asked if they had any experience in other states, where community colleges are seen as the preferred continuing educational system.

Chris Eckels explained that this barrier remains in other states as well, primarily due to the fact that community colleges are ingrained in legislative minds. He also stated that proprietary school associations are important to bringing their clients' successes to the forefront.

James Devaney suggested starting the discussion at the public school level before taking it on with the legislature, and also told the schools that they need to publish their successes.

Alicia Hyndman shared that, based upon her experiences in working with the NYC Department of Education, DOE would rather solve the problem internally than to look to outsiders for assistance, and that they won't readily see proprietary schools as a success unless they are supplied with data to document this.

Rabbi Barash stated that the accredited schools document completion rates with USDOE, but the data is not in a valuable format.

Mike Hatten asked Carole Yates to check to see if the Council can access OEDS data.

At this point, Mike opened up the floor for comments/questions from the audience:

- Terry Zaleski extended the Coalition's appreciation to BPSS for its collegial relationship with schools, during the last few months. He also volunteered to work on a subcommittee.
- Terry stated that the Coalition's mystery shopping program has been unveiled and that 20 schools have currently been shopped. All 20 schools have had their procedures validated and/or improved, as a result of this complimentary service received by Coalition members.
- Terry also relayed the fact that there is pending legislation that, if passed, will allow proprietary schools to offer LPN programs. The Office of the Professions would review and regulate the curriculum, however all other aspects of the school would fall under BPSS oversight. Senate bill: S3404 (Sampson - sponsor) and Assembly bill: A7024 (Perry - sponsor).
- Terry informed the audience that the Coalition's fall conference will be held from November 11-13, 2009, at the Danford's Hotel, located in Port Jefferson. They are also planning a one-day event in NYC in May 2010.
- Terry distributed a copy of the Coalition's new brochure (attached).
- Anthony Civitano asked Carole Yates for an update on the status of BPSS' bill. Carole responded that she would touch base with Joe Frey and would update the Council at a later date.
- Anthony also asked for clarification on 'like circumstances.' His school, Hair Design Institute, recently was awarded a contract from NYC DOE to teach out four students, and won the bid based upon the school's lower tuition. The school recently increased its tuition and he is concerned because he cannot request an increase in tuition from DOE. He also has an opportunity to bid on a contract to enroll foreign students, but is concerned due to his change in tuition. Carole stated that it appears that he is fine, due to

- Mike Hatten cautioned accredited and Title IV schools to clear the various tuitions with their accreditors and USDOE.
- Jay Fund stated that ACICS approves various tuition costs, if they are documented correctly.
- Jay also requested BPSS' assistance regarding offering professional programs in proprietary schools. Carole responded that it is the Office of the Professions that does not allow proprietary schools to offer programs leading to licensed professions – not BPSS.
- Ed Schwartz stated that he sent letters to local high schools, and is now regularly invited to job fairs at various schools. He also stated that there is an upcoming fair at Bayside High School, which he was invited to.
- Ed also asked Carole how BPSS and the schools can ensure that the TRA is safe – he suggested possibly investing in an insurance policy or bonding. Carole will look into it.
- Frank Talty mentioned that he had concerns regarding the WIA voucher process.

Mike Hatten wished Vincent Ferrara a Happy Birthday.

Mike also mentioned that the next AC meeting will be scheduled for late June, and asked for a volunteer school to host it.

With no additional comments/questions from the Council or audience, the meeting was adjourned at 1:05 p.m.