

IOWA COLLEGE STUDENT AID COMMISSION

Brown Mackie College Application for Postsecondary Registration Renewal June 24, 2016

STAFF ACTION:

Approve Brown Mackie's application for registration renewal in Iowa for a consecutive term that begins retroactively on January 23, 2016 and ends on January 23, 2018.

Registration Purpose

Revised Iowa Code Sections 261B.2 (definitions) and 261B.3 (effective July 1, 2012) require a school to register with the Commission if a person compensated by the school conducts any portion of a course of instruction, including by in-person, distance education, or correspondence method in this state or if the school otherwise has a presence in this state. Presence means a location in Iowa at which a student participates in any structured activity related to a school's distance education course of instruction. Presence also means an address, location, telephone number, or internet protocol address in Iowa from which a school conducts any aspect of its operations. Staff required Brown Mackie College - Quad Cities (BMC – Quad Cities or the College) to apply for registration renewal in order to continue operating its campus located in Bettendorf, Iowa. The College does not offer distance education programs to Iowa residents.

Institutional Information

Brown Mackie College – Quad Cities is a private, for-profit educational institution whose Iowa campus is located at 2119 E. Kimberly Road, Bettendorf, Iowa. The Chief Executive Officer of the Quad Cities campus and Brown Mackie's Iowa contact person is President Jennifer Opp-Jackson. The College's chief national officer is Danny Finuf, national President of Brown Mackie College, at 624 Eden Park Drive, Suite 100, Cincinnati, OH. BMC has a fictitious name registration with the Iowa Secretary of State, under the active, foreign, for-profit corporate registration #381756 for American Education Centers, Inc. The corporate resident agent is Corporation Service Co., 505 5th Ave., Suite 729, Des Moines, IA.

For accreditation and federal student aid purposes, it should be noted that the Brown Mackie College – Quad Cities campus is a branch campus of a main campus of another EDMC school, the Art Institute of Phoenix. For federal student aid purposes, Brown Mackie College – Quad Cities shares the Art Institute of Phoenix's federal Department of Education unique identifying number, 040513, and thus shares the Art Institute of Phoenix's federal student aid Program Participation agreement and cohort default rate in the Federal Stafford Loan Program.

Current Ownership and Governance: The College discloses its ownership as follows. Brown Mackie College is owned by American Education Centers, Inc. American Education

Centers, Inc. is a wholly owned subsidiary of the Institute of Post-Secondary Education, Inc. The Institute of Post-Secondary Education, Inc. is a wholly owned subsidiary of The Art Institute of Colorado, Inc. The Art Institute of Colorado, Inc. is wholly owned subsidiary of The Art Institutes International, LLC. The Art Institutes International LLC is a wholly owned subsidiary of Education Management LLC. Education Management LLC is a wholly owned subsidiary of Education Management Holdings LLC. Education Management Holdings LLC is a wholly owned subsidiary of Education Management Corporation, also known by its acronym EDMC. EDMC is located at 210 Sixth Avenue, 33rd floor, Pittsburgh, Pennsylvania.

Staff requested a list of the parties comprising Brown Mackie College's governing body and was provided the following list of corporate officers for American Education Centers, Inc.

Board of Directors

- Danny Finuf, President of Brown Mackie College; EDMC Executive Officer
- Mark A. McEachen, American Education Center, Inc.; EDMC President and Chief Executive Officer

Officers of American Education Centers, Inc.

- Danny Finuf, President of Brown Mackie College; EDMC Executive Officer
- Joseph Marsico; EDMC Vice President, Corporate Real Estate
- J. Devitt Kramer, Secretary; EDMC Sr. Vice President, General Counsel and Secretary
- James A. Terrell, Treasurer and Controller; EDMC Vice President, Treasurer and Controller
- Scott A. Syglowski; EDMC Vice President of Taxes
- Carol A. Brunner; EDMC Asst. Vice President and Manager, Transactions & Property Tax, Unclaimed Property
- Vacant; EDMC Asst. Vice President and Manager, Corporate Income Tax
- Sue Minahan, EDMC Assistant Secretary

Staff noted that all of the members of the Board of Directors and Officers of Brown Mackie College/American Education Centers are employees of EDMC and only one, President Danny Finuf, has any disclosed background in academia. Therefore, staff requested and received information about the entity or parties that establish academic policies and render academically-related decisions on behalf of Brown Mackie College. See below, under "Curriculum Evaluation and Development" for additional information about the College's academic leadership and their roles.

Change of Ownership: In 2014, BMC's parent company, EDMC, reached an agreement regarding a financial restructuring with holders of more than 80 percent of its secured and unsecured financial indebtedness. The debt restructuring agreement with its creditors reduced EDMC's outstanding debt by approximately \$1.1 billion dollars to approximately \$400 million dollars, and lowered its interest payments. The new capital structure was seen as critical to the future success of EDMC and in the best interests of its students, who number approximately 90,000 across four EDMC brands: Brown Mackie College, The Art Institutes, Argosy University, and South University. EDMC is no longer a publicly traded corporation. In November 2014, EDMC delisted from the NASDAQ as a publicly traded

corporation and deregistered its common stock with the Securities and Exchange Commission.

The 2014 financial restructuring agreement gave EDMC's creditors an equity stake in the company. Two of the individuals who were party to the 2014 restructuring agreement now occupy two of five positions on the EDMC Board of Directors: Jerome Kamer – Co-founder and Managing Partner of the Entertainment Investment Group (EIG), and President and Chief Operating Officer of Oladas Inc.; and Kermit Cook of KKR Capstone.

Physical Facilities: Brown Mackie College provided a copy of current lease to rent nearly 30,000 square feet of space at its Bettendorf location, consisting of instruction rooms, library facilities, offices, a food lounge for faculty and students, restroom facilities, and other common public spaces. Year-round, 24/7 access to parking in the amount of 8 spaces per 1,000 square feet of rented space is guaranteed as part of the lease.

Accreditation: The College is currently accredited by the Accrediting Council for Independent Colleges and Schools (ACICS), a national accrediting agency recognized by the federal Department of Education.

On May 4, 2016, ACICS notified the Commission of a Financial Show-Cause Directive it issued to the Art Institute of York-Pennsylvania and four other Art Institute campuses including the Art Institute of Phoenix. This action is relevant to BMC – Quad Cities since ACICS considers BMC – Quad Cities to be a branch campus of the Art Institute of Phoenix.

In its show cause directive, ACICS describes a review of the financial materials recently submitted for the Art Institute of York-Pennsylvania regarding the institutions' actual and projected revenue, primarily those derived from the enrollment of students; the costs of on-going operations; and the widening gap between the two sets of numbers. EDMC opines in a separate and timely notice to the Commission that the ACICS show cause directive was predicated on ACICS' evaluation of the financial performance of one institution, the Art Institute of York-Pennsylvania. The York, Pennsylvania campus ceased enrolling students in May 2015, is teaching out its currently enrolled students, and its website discloses the fact that it is no longer accepting new students. Thus, EDMC states, the Art Institute of York-Pennsylvania is not generating profit.

In its Show-Cause Directive to EDMC, ACICS quoted its financial stability standards requiring institutions to have adequate revenues and assets to meet its responsibilities, ensure continuity of service, and accomplish its mission. In view of these expectations and pursuant to its Accreditation Criteria, ACICS directed the Art Institute of York-Pennsylvania and four other main campuses including the Art Institute of Phoenix (the main campus of BMC – Quad Cities) to show cause at the ACICS meeting in August 2016 meeting as to why the institutions' accreditation should not be withdrawn by suspension or otherwise conditioned.

ACICS requires EDMC to submit information to ACICS no later than June 30, 2016 that includes financial improvement plans for EDMC and the institutions that ACICS accredits; a report of the federal student aid participation status of each EDMC institution identified in the ACICS action letter; an update with regard to State Attorneys General investigations (see Additional Information at the conclusion of this report); and a description of EDMC's efforts

to mitigate incurred losses, generate positive net income, and continue operation of the EDMC campuses identified in the ACICS Show-Cause Directive.

EDMC reports that it will maintain frequent contact with ACICS, fully provide the information requested in the show cause notice, and present the requested financial information at the ACICS Council meeting in August.

At this time, staff believes Commission action regarding this matter is not necessary. Staff has regular and forthcoming interaction with EDMC representatives. Staff will continue to monitor for future developments and information regarding EDMC, Brown Mackie College – Quad Cities, and updates from ACICS.

Brown Mackie College – Quad Cities also holds special programmatic accreditation by the Accreditation Council for Occupational Therapy Education (ACOTE) for the College's Occupational Therapy Assistant program. ACOTE accreditation is a requirement of the Iowa Board of Physical and Occupational Therapy for licensure of an Iowa occupational therapy assistant.

Federal Stafford Loan Cohort Default Rate (FFY 2012): Brown Mackie College - Quad Cities is one of multiple branch campuses of The Art Institute of Phoenix. Therefore, the federal Department of Education calculates a single default rate for all students attending the Art Institute of Phoenix main campus and its many branches. Based on most recently published, reported full-time equivalent enrollment reported for Brown Mackie College - Quad Cities by the College Navigator, students at the Iowa-based Brown Mackie College campus comprise only 338 of 25,369 students in the default rate cohort.

The default rate calculated by the federal Department of Education for The Art Institute of Phoenix, which includes defaulted borrowers who attended the Brown Mackie College - Quad Cities campus, is 18.1%. For comparison purposes, the FFY 2012, three-year national average default rate of all schools is 11.8%.

EDMC internally calculates a Stafford loan cohort default rate that is specific to defaulted borrowers who attended the Brown Mackie College - Quad Cities campus. For FFY2012, EDMC estimates that the default rate 16.9%, i.e., 75 Stafford loan borrowers in default out of a total of 444 borrowers in repayment during the cohort period. This is **not** an official default rate calculated by the federal Department of Education. EDMC produced its internally calculated rate at staff's request to provide a more targeted estimate of the repayment habits of Stafford loan borrowers who graduate or withdraw from the BMC - Quad Cities campus.

Graduation Rate: This is the percentage of first-time, full-time undergraduate students who graduated within 150% of the normal time for program completion as reported to the federal Department of Education. The graduation rate is 47%, which represents only students who enrolled at the BMC - Quad Cities campus.

Average Loan Debt upon Graduation: \$24,555 for associate degree program graduates; \$15,496 for diploma program graduates. BMC - Quad Cities does not offer baccalaureate or graduate level degree programs.

Record Preservation: Brown Mackie College's parent company, EDMC, maintains a comprehensive, detailed records management and disposal policy for the protection, retention, and destruction of all records maintained by any EDMC school, including BMC - Quad Cities. Records covered under this policy include any hard copy documents or electronically stored information that is prepared, generated, received, or otherwise maintained or held by EDMC, or any employee of EDMC, in connection with transacting the corporation's business or related to its legal and regulatory obligations. Records may be in the form of hard copy documents or stored on electronic media including, but not limited to, computer drives, tapes, DVDs, CD-ROMs, other disks, flash drives, other fixed, portable or removable storage media, or other electronic devices. Records may also include hard copy documents or electronically stored information held by an independent contractor or other person or vendor utilized by EDMC to perform services on its behalf, when that party is accountable to EDMC for the purpose of creating or storing records.

Records are retained only as long as necessary to manage EDMC's schools effectively and to satisfy EDMC's obligations to customers, students, employees, and legal authorities. Absent an applicable litigation hold, records are disposed of as soon as they are no longer needed for business purposes or to satisfy legal obligations, in accordance with a record retention schedule that EDMC provides to all employees. To the extent necessary, EDMC develops and implements supplemental policies to address specific issues related to the creation, use, storage, and disposition of records that promotes compliance with statutory and regulatory requirements. EDMC endeavors to conduct a records management review day at least once per year.

Hard copy records that are subject to retention for periods longer than the time for which EDMC needs immediate access are sent to an off-site storage facility. Employees responsible for sending hard copy records to an off-site storage facility must monitor and dispose of those records at the end of their relevant retention periods. EDMC maintains strict policies about scanning hard copy records. Each electronic record generated by scanning a hard copy record must be reviewed by an EDMC employee to ensure it is a complete and accurate duplicate of the original hard copy record. If an EDMC employee has not individually reviewed the electronic record and confirmed that it is a complete and accurate duplicate of the original hard copy record, both the electronic record and the original hard copy record must be retained in accordance with the records management policy and record retention policy.

Hard copy documents that contain sensitive information, personally-identifying information, individual health information, individual credit card holder information, or that otherwise require disposal through secure means per applicable law are securely destroyed through shredding or other approved means. Storage media containing electronically stored information that includes sensitive information is destroyed under the direction of the EDMC Information Technology Department.

In order to facilitate employee compliance, each EDMC school location has a Records Management Coordinator. This person assists in the effective implementation of the records management policy and answers questions about the policy. EDMC's Law Department is the resource for Records Management Coordinators to answer questions pertaining to policies and procedures.

Any changes to the record retention schedule are made by the EDMC Law Department. EDMC provides employees with records management training. EDMC's records management policy is reviewed annually, and EDMC tracks modifications made to its records policy including the date of the change and the rationale.

Transcript Requests: Any current or former student may request a transcript by contacting:

Mary Myers
Brown Mackie College - Quad Cities
2119 Kimberly Rd.
Bettendorf, IA 52722
(563) 344-1515
mamyers@brownmackie.edu

Students may also request transcripts by logging on to the student portal at my.brownmackie.edu. Alumni may request a transcript through an alumni link on the College website that includes a Services and Benefits section, which includes a transcript request page.

Instructional Methodology: Brown Mackie College offers courses using two delivery modes. A student may be enrolled and admitted to a class using a residential or a blended learning modality where at least 50% of the course is delivered via classroom instruction on campus and the remainder is delivered online.

The online learning content for a course supports the program's educational learning objectives or outcomes. The outcomes and objectives for the online component of a course mirror the content delivered in the on-campus classroom. In the online learning environment, student activities include posting notes and responding to the notes of classmates that relate to the lecture and assigned readings; answering and responding to other students' answers to assigned discussion questions; case studies; specific assignments; and critiques. A "response" may be a question about another's work; an agreement with or challenge to the point of view expressed supported by a reference to the text or lecture or a personal experience (not mere opinion); citation of a reference relevant to the topic; a critique of someone's work, etc. Students must read all instructor's and fellow students' notes. The quantity and quality of the student's participation is graded. Students are strongly encouraged to participate throughout the week, including weekends.

Grading is done on a point system. Points are assigned for each criterion previously established for the purpose of evaluating each assignment. Each graded assignment, project, quiz, exam, and discussion question criterion is assigned a point value, which is reflective of the quality of the student's contribution. In most instances there will be at least two, and usually more, distinct criteria specified for student evaluation and grading. Students will receive a weekly progress and grade report.

Brown Mackie College provides the opportunity, with student authorization, for all new students to access electronic textbooks through the use of an iPad2. Authorizing students receive their iPad2 during the third week of the first course. The cost of the iPad2 and a technology kit is payable by federal student aid. Students who choose to decline the

College's iPad2 must supply their own iPad2 no later than week three of the first course. Instructors provide all materials for the first two weeks of the first course.

Independent Study - From time to time it may be necessary to offer a course as in an independent study format. Independent study is only offered under specific circumstances. Independent study can be an option if a program is in teach out and a student has a course that needs to be completed in order to graduate from a program. If a student has a family or medical emergency that forces the student to leave his or her class cohort, the College may approve an independent student course in an effort to allow the student to advance coursework progression and rejoin the correct class cohort.

Independent study refers to a student's attempt of a course in his or her program without the normal requirement of attendance in scheduled class meetings. Students that are allowed to take course(s) as independent study are required to have scheduled meetings with the instructor. The instructor must facilitate the objectives of the course as published in the course syllabus, and student achievement is still evaluated under the same expectations that apply in the normal delivery of the course. A student and instructor contract is signed by both parties outlining expectations of the student for the course.

Student Learning Resources: The Brown Mackie College - Quad Cities Campus Library is open as follows:

Monday: 8:00am – 9:50 pm
Tuesday: 8:00 am – 9:50 pm
Wednesday: 8:00 am - 8:00 pm
Thursday: 8:00 am – 9:50 pm
Friday: 8:00 am - 5:00 pm
Saturday 9:00 am – 1 pm

Campus Library hours are posted on the BMC website at <https://www.brownmackie.edu/why-brown-mackie/student-services/college-store-and-library-hours>.

Current students and faculty members at Brown Mackie College also have remote access to the national Brown Mackie College online Library. The online Library is accessible through the BMC Student Portal at <http://my.brownmackie.edu>. A live online Librarian for library reference and instruction services is available during the following evening and weekend hours: Mon - Thurs 7am - 1am EST; Friday 7 am – 10pm EST; Saturday 9am-10pm EST and Sunday 11am-1am EST. During coverage hours, students will be able to access live Librarian support through email or by phone.

During coverage hours, in addition to ready reference through in-coming contacts, BMC online Librarians will provide the following support:

- One-on-one sessions -these one-hour advanced research sessions are scheduled by appointment through The Center- Library Services ("the Center"). The topics of these one-on-one sessions will be determined by the specific needs of the individual scheduling the session.
- Workshops- conducted weekly for all members of the BMC community. The topics of

these workshops will be pre-planned collaboratively between the Digital Library Director of The Center and the Digital Resources Director of Brown Mackie College and will address the Information Literacy Competency Standards for Higher Education as established by the Association of College and Research Libraries (ACRL) <http://www.ala.org/acrl/standards/informationliteracycompetency>. A minimum of 5 workshops are presented per month.

- Course Interactions – Instruction provided by Librarians about library resources is embedded in the content of courses designated by the College.
- Digital Guides - Librarians will help to construct Digital Pathfinders, Research Guides, and LibGuides for student use.

The College offers a virtual library service called *Ask Today*. This service offers students help with learning how to best use online subscription resources to complete course assignments. *Ask Today* can be reached by phone toll-free, or by email.

Online research resources that the Brown Mackie College Library provides include the following:

- Academic Search Complete (EBSCO) - Multi-disciplinary database featuring full-text scholarly journals, periodicals, reports, books, and more from over 9,100 publications (over 86% peer-reviewed/scholarly) with coverage from 1887 to present. Presents broad global coverage of subject areas including business and economics, health and medicine, news and world affairs, science, education, technology, humanities, social sciences, psychology, literature, law, and women's studies.
- AP Images (EBSCO) - Provides access to over 12 million photographs dating to 1826. Also contains approximately 36,000 sound bits and a professionally produced collection of more than 340,000 graphics including maps, graphs, charts, logos, flags, and illustrations.
- Art Source (EBSCO) - Considered an art super-database, combining content from EBSCO and its recently acquired Wilson. This resource provides 630 full-text journals, 220 full-text books, and over 63,000 images. This resource includes international coverage, art reproduction records, and museum podcasts on artists and works of art.
- Associates Programs Source Plus (EBSCO) - Designed for the research needs of two-year colleges and relevant associates programs with 2,000 full-text journals and 350 full-text books covering programs including culinary arts, fashion design, graphic arts, interior design, photography, and more.
- Biography Reference Center (EBSCO) - Contains top-ranked biographical reference collections and magazines including *Biography Today* and *Biography*. Provides coverage of more than 600,000 individuals with over 2.2 million records. Narrative profiles average 3,000 words in length. Includes 35,000 images.
- Business Source Complete (EBSCO) - Considered a leader in business information, this resource provides 1,000 books, 9,000 case studies, 1 million company profiles, 1,400 country economic reports, 20,000 industry reports, 8,100 executive and analyst interviews, 2,400 market research reports, 2,400 peer-reviewed journals, 1,600 trade and general business magazines, and 3,500 Strength, Weakness, Opportunity, and Threat (SWOT) analyses.

- Canadian Reference Centre (EBSCO) - Provides a Canadian and international focus with over 1,100 full-text periodicals, 66,000 full-text biographies, 502,000 images including photos, maps, and flags, and 86,000 images from the Canadian Press.
- CINAHL Plus with Full Text (EBSCO) - Provides a focus on nursing and allied health with access to 760 full-text journals and 275 full-text books dating to 1937. Also includes 130 evidence-based care sheets and 170 quick lessons providing disease and treatment overviews.
- Communication & Mass Media Complete (EBSCO) - Combining the resources of *CommSearch* (National Communication Association) and *Mass Media Articles Index* (Penn State), this database presents 500 full-text journals with coverage dating to 1915.
- Consumer Health Complete (EBSCO) - Coverage on topics including aging, cancer, diabetes, drugs and alcohol, fitness, nutrition and dietetics, and more through full-text health reference books, encyclopedias, health reports, consumer health pamphlets, and leaflets. Also includes medical images and diagrams and over 2,000 Health Daily videos from NBC Digital Health Network.
- Criminal Justice Abstracts with Full Text (EBSCO) - Contains over 200 full-text magazines, journals, and books with information relating to criminal justice, criminology, corrections and prisons, criminal investigations, forensic sciences and investigation, substance abuse and addiction, and probation and parole.
- eBook Academic Collection (EBSCO) - Full-text access to over 113,000 electronic books with unlimited user access. Subject areas covered by this collection include art, business and economics, education, language arts, literary criticism, medicine, performing arts, philosophy, poetry, political science, religion, social science, technology, and more. Allows for user download to personal computer/mobile systems. Users can create personalized bookshelves, highlight books, and add notes and bookmarks.
- eBook Community College Collection (EBSCO) - Full-text access to over 48,000 electronic books with unlimited user access. This multidisciplinary collection is focused on the academic and trade information needs of community colleges. The information available in this collection varies from introductory/basic content to higher-level content, providing students with a range of information to meet their needs as they develop in their area(s) of study. Allows for user download to personal computer/mobile systems. Users can create personalized bookshelves, highlight books, and add notes and bookmarks.
- Education Source (EBSCO) - This database covers scholarly research and information to meet the needs of education students, professionals and policy makers. The file offers the world's largest and most complete collection of full-text education journals, and includes an international array of periodicals, full-text books and more. It covers all levels of education, from early childhood to higher education, as well as all educational specialties, such as multilingual education, health education and testing.
- ERIC (EBSCO) - The Education Information Resource Center (ERIC) provides access to educational literature and resources. The resource contains more than a million records and links to thousands of full-text documents from ERIC back to 1966.
- Food Science Source (EBSCO) - Offers over 1,800 full-text journals, books, magazines, and trade publications in addition to over 1,000 key food industry and market reports. Coverage includes the sectors of agribusiness, food and beverage

- science, food packaging, food processing, food safety, food service, food shipping, food/culinary innovation, food related product development, and more.
- GreenFILE (EBSCO) - Full-text access to more than 9,100 records connecting the environment with disciplines such as agriculture, education, law, health, and technology. Popular topics include global climate change, green building, pollution, sustainable agriculture, renewable energy, recycling, and more.
 - Hospitality and Tourism Complete (EBSCO) - Provides access to over 830 full-text titles including periodicals, company and country reports, and books. Domestic and international in scope with material collected from countries and regions such as Canada, Australia, Europe, and Asia. Subject areas covered include: culinary arts, demographics and statistics, development and investment, food and beverage management, hospitality law, hotel management and administrative practices, leisure and business travel, market trends, technology, and more.
 - Humanities Source (EBSCO) - Considered a humanities super-database, combining content from EBSCO and its recently acquired Wilson. This resource provides 1,400 full-text journals as well as interviews, obituaries, original works of fiction, book reviews, and reviews of ballets, dance programs, motion pictures, musicals, operas, plays, and more. Subject coverage in this resource includes: archaeology, area studies, art, classical studies, communications, dance, film, folklore, gender studies, history, journalism, linguistics, literary and social criticism, literature, music, performing arts, philosophy, religion and theology, and others.
 - Literary Reference Center Plus (EBSCO) - Fulfills literary needs with over 35,000 plot summaries, synopses and work overviews, 89,000 articles/essays of literary criticism, 258,000 author biographies, 774,500 book reviews, 113,800 classic and contemporary poems, 27,500 classic and contemporary short stories, 8,800 author interviews, 2,700 literary reference books, 900 literary journals and magazines, 35 volumes of new contemporary literature titles from Salem Press, 40 full-text literary study guides and 72 literary videos pertaining to classic works and authors.
 - Mental Measurements with Full Text (EBSCO) - Guide to over 3,000 contemporary testing instruments related to psychology, education, business, and leadership.
 - Newspaper Source (EBSCO) - Provides cover-to-cover full text of more than 40 U.S. and international newspapers, in addition to selective full text from more than 330 regional U.S. newspapers.
 - OmniFile Full Text MEGA (EBSCO) - Formerly a Wilson database, this resource is more robust than the previous subscribed OmniFile Full Text Select, with over 3,100 full-text publications dating to 1994 and over 500 podcasts and videos on a range of art, humanities, and science subjects. Covers core subjects including applied sciences, art, education, humanities, law, social sciences, and technology.
 - Points of View Reference Center (EBSCO) - Presents topic overview (objective background/description), point (argument), and counterpoint (opposing argument) for topics including abortion, censorship, global issues, human rights, medicine and ethics, national debate topics, substance abuse, war and peace, and more. Offers 1,300 main essays, political magazines, newspapers, radio and TV transcripts, primary source documents, and reference books. Provides *Guide to Critical Analysis* to aid in evaluation.
 - Psychology and Behavioral Sciences Collection (EBSCO) - Offers 560 full-text journals relating to fields of psychology and behavioral sciences. Subjects covered include: anthropology, emotional and behavioral characteristics, mental processes, observational and experimental methods, psychiatry and psychology, and more.

- Regional Business News (EBSCO) - Offers full text of 100 regional U.S. and Canadian business publications including business journals, newspapers, and newswires. Includes titles from Crain Communications.
- SPORTDiscuss with Full Text (EBSCO) - Offers 530 full-text journals, books, book chapters, and conference proceedings with a focus on sports and sports medicine.
- Textile Technology Complete (EBSCO) - Provides coverage related to scientific and technological aspects of textile production and processing through the availability of 50 full-text journals and 50 full-text books. Subjects covered include: biology, chemicals and dyes, chemistry, environmental issues, manufacturing techniques, physics, textiles and products, and the properties of natural and synthetic fibers and yarns.
- World Textiles (EBSCO) - Working in conjunction with Textile Technology Complete, this database covers developments and innovations in the textile industry. Topics include plant development, computer control, manufacturing and finishing processes, commercial development, performance of textile products, and environmental concerns. Subjects covered are fibers, yarns, fabrics, chemical and finishing processes, medical textiles, automotive and industrial textiles, garment construction, composites, recycling, plant services and control systems, analysis, testing, quality control, polymer science, and more.

Tutoring – BMC - Quad Cities provides tutoring at no charge. Students interested in tutoring should contact the Academic Affairs Office for further information. Students can schedule a face-to-face tutorial session with faculty at the campus in their area of study as long as they are in their core curriculum classes. All students in general education courses can schedule a face-to-face tutorial session with the campus tutor. Interested students should contact the Academic Advisor to schedule an appointment. The Academic Advisors work within the Academic Affairs Office located at the campus and can also be reached via the student portal.

The Office of Career Services assists eligible graduates in entering careers in their fields of education and training. Dedicated Career Services staff is available at the BMC – Quad Cities campus. The Career Services staff works with students prior to graduation to determine areas of employment interest and to explore employment options. Students are notified of appropriate opportunities as these occur. Although Brown Mackie College - Quad Cities does not guarantee employment to any graduate and students should not solely rely on the Career Services Office, staff provide employment leads and to help graduates obtain interviews for appropriate employment. Students may request assistance in preparing resumes, cover letters, and employment applications. The Office of Career Services also assists students seeking part-time employment, by interviewing and screening students in advance, and arranging interviews between employers and students when employment opportunities occur. Students are then expected to take the initiative in pursuing the employment process. Students may schedule an appointment or visit the Career Services Office at the BMC - Quad Cities campus for additional information about resources the Office of Career Services provides.

Curriculum Evaluation and Development: New programs and revisions to existing programs are accomplished through a process that may begin at the individual campus level. A Program Review Committee (PRC) is established at each campus to evaluate the need for program modifications and suggest new program models. The PRC is comprised of the

Campus President, the Academic Dean, two Department Chairs, full-time and adjunct faculty, the Director of Career Services, the Financial Services Director, a Learning Support Specialist, a student, and a representative of a Program Advisory Committee. The Program Advisory Committee is comprised of College faculty and staff as well as representatives of local business and industry in the career fields that are the focus of the programs that Brown Mackie College – Quad Cities offers.

New program proposals advanced by a campus-level Program Review Committee (PRC) must include the following information:

- Name of the program.
- Mission and intent of the program.
- Comparison with other Brown Mackie College programs.
- Scope, trends, and projected longevity of the proposed program.
- Proof-of-need in the form of preliminary market research that addresses potential student interest.
- Proof-of-need in the form of job availability along with anticipated starting salaries in the cities in which Brown Mackie College operates.
- A list of at least six major competencies a graduate would develop.

The Vice President of Academic Affairs initially reviews proposals for new programs and program revisions to determine whether the proposal is worthy of further development. If that is the case, the Vice President of Academic Operations advances the proposal to the appropriate Program Manager and subject matter experts at the Brown Mackie College Central Services level for modifications to or, as appropriate, initial identification of program outcomes, syllabi, lesson plans, student assessments, textbooks, and any necessary materials.

The proposal for a new or revised program is then referred to a Program Review Committee (PRC) that exists at the Brown Mackie College Central Services level. This PRC is comprised of Academic Deans, Department Chairs, and other subject matter experts from across Brown Mackie Colleges. The national PRC meets, at minimum, quarterly and each campus designates appropriate faculty to participate in this system-level review of program changes. The Brown Mackie College – Quad Cities' Academic Dean and Department Chairs in the Occupational Therapy Assistant and Allied Health Programs are members of this national PRC. The national Program Review Committee evaluates recommendations from Program Advisory Committees and comments from faculty on a national level. The PRC advances proposals to the Vice President of Academic Operations, the Vice President of Finance, and Vice President of Campus Services. This team ensures consistency with the mission of Brown Mackie College, confirms program employment outcomes and geographic locations near BMC campuses in which employment opportunities are available, and solidifies the potential student market and the prospective student's profile. At this level, capitol costs associated with program delivery are also enumerated. Curriculum changes or programs approved at this final stage of review are referred to the Training Campus Services and Academic Team for deployment.

The Vice President of Academic Affairs has a key role in approving proposals for revisions to existing programs or new program development. This position also oversees academic policy development, program oversight, and faculty training and development. The Brown

Mackie College Vice President of Academic Affairs has a master's degree in rehabilitation counseling, and a bachelor's degree in sociology/psychology. She has been with Brown Mackie College since 2002, serving in a number of positions: Student Advisor, Academic Advisor, Director of Academic Advising, and Academic Dean of Education. She was appointed to her current role as Vice President of Academic Affairs in 2010.

Student Complaints Process: The College discloses its process for handling student complaints in the Quad Cities campus Catalog at https://content.edmc.edu/assets/pdf/BMC/Academic_Catalogs/catalog-quad-cities.pdf.

The College provides a process of resolving complaints on the part of any student who believes that the College's decision, action, or policy has unfairly and adversely affected his or her status, rights, or privileges as a student. In most cases, a complaint can be resolved at the College level. Faculty and staff are available to guide students in completing their programs, and students are informed of the parties to whom issues and concerns should be addressed. These are as follows:

- Faculty – resolution of academic concerns pertaining to individual courses (as grades, assignments, attendance, etc.)
- Department Chair, Program Administrator, and Academic Affairs Office - unresolved academic issues pertaining to the student's program (such as program objectives, curriculum, e-texts, graduation requirements, licensure examinations, faculty, change of program, transfer of credit, withdrawal, and personal issues that impact the student's education).
- Student Records Office - resolution of issues involving course scheduling and obtaining transcripts.
- Student Financial Services Office - resolution of issues involving loans, grants, deferments, verification, federal funding, and consequences of withdrawal.
- Student Accounting Office - resolution of issues involving the status of the student's account and issues of billing (as monthly payments, book returns, financial arrangements, fees, etc.)

If an issue in any area above remains unresolved, the student may refer the complaint to the Campus President (or as applicable, the Campus Director). If the issue remains unresolved, the student may refer the complaint to the National Director of Student Affairs at (513) 830-2007.

A student who believes that his or her complaint remains unsatisfactorily resolved by the BMC – Quad Cities campus may refer the complaint to the Iowa College Student Aid Commission or ACICS, the College's accrediting agency.

Programs Offered In Iowa

Brown Mackie College offers the following programs at its Quad Cities campus. Total estimated tuition charges, fees, books, supplies, and other costs payable to the school by a student are provided for each program.

Diploma Programs

- Medical Assistant - \$21,120

Associate Degree Programs

- Associate of Science in Business Management - \$31,680
- Associate of Science in Criminal Justice - \$31,680
- Associate of Science in Health Care Administration - \$31,680
- Associate of Science in Information Technology - \$31,680
- Associate of Applied Science/Occupational Therapy Assistant - \$38,976

**Field Experiences:*

- Associate of Science in Criminal Justice - Students must complete an externship consisting of 120 clock hours of practical experience in a professional environment appropriate for the application of skills learned in the curriculum.
- Associate of Science in Business Management – Students must complete an externship consisting of 60 clock hours of practical experience in a professional environment appropriate for the application of learned skills.
- Associate of Science in Health Care Administration - Students must complete an externship consisting of 60 clock hours of practical experience in a professional environment.
- Associate of Science in Information Technology – Students must complete 60 clock hours of work in a professional environment appropriate for the application of skills learned in the curriculum.
- Diploma in Medical Assisting - Students must complete an externship consisting of 160 clock hours of practical experience in a professional environment during a four-week period.

Students participating in field experience courses in the Associate of Science degree programs in Information Technology, Criminal Justice, Business Management, Health Care Management, and Medical Assisting programs have similar, general expectations. Students must strictly adhere to the externship schedule arrange with the externship site. Students are expected to complete daily journal entries in the College's online Learning Management System, which includes general observations, questions, and concerns. Students meet with site instructors at least weekly. Attendance must be recorded and submitted weekly to the site instructor for verification. Midterm and final site evaluations are conducted by site supervisors and provided to College faculty.

In the Associate of Applied Science/Occupational Therapy Assistant program, students complete two separate field experiences:

- A field experience consisting of a minimum of 30 hours, or approximately 8 am to 5 pm during one week, observing at a local occupational therapy service or clinic. Students must observe and record information on treatment sessions with patients.

Students are encouraged to ask questions and converse with the clinical instructor regarding treatment.

- A field experience consisting of a total of no less than 600 clock hours during four fieldwork courses at a facility under the instruction and direct supervision of a clinical instructor. During this experience students initiate and progress in the direct treatment of psychosocial and physical dysfunction. Fieldwork must be completed during the day between the hours of 7 am – 8 pm or as required by the cooperating facility, averaging a minimum of 37.5 hours per week. Students are evaluated at the end of the fieldwork and are graded “passing” or “not passing.” A student that receives a grade of not passing at the end of the fieldwork experience must repeat all four fieldwork courses. The program’s accrediting agency, the Accreditation Council for Occupational Therapy Education, sets the credential standard for the field experience site supervisor.

Field experience sites are approved by staff at the Brown Mackie College - Quad Cities campus. If a student has recommended a site, the campus does a review and visit to the site to ensure the site meets all of the qualifications before the College approves the site. A site supervisor reports to the Brown Mackie College field experience faculty supervisor at midterm and at the end of the field experience. College staff provide site supervisors with a formal evaluation format to utilize in evaluating the student’s progress toward meeting the goals of the field experience.

Brown Mackie College provides site supervisors with written guidelines about their responsibilities. The Affiliation Agreement executed between the site and the College outlines the responsibilities of the field experience site supervisor, the College, and the student, as follows:

- The College has full responsibility for the academic content of the field experience and the credit granted for its satisfactory completion. The College and the field experience site will agree in advance of the start date of the field experience on the specific studies and research that will occur.
- A student is directly supervised by an employee of the field experience facility who is approved in advance by the College. The student’s on-site supervisor shall not be an employee of the College or a currently enrolled student at the College.
- The College will advise its students to comply with the field experience site’s policies and procedures, including but not limited to the requirement to keep all patient related medical information confidential and to comply with the site’s policy regarding the Health Insurance Portability and Accountability Act (HIPAA).
- The College will advise its students to comply with any of field experience site’s requirements regarding criminal background checks/drug screening. The site must provide students a copy of its policy regarding background checks/drug screening. The student pays any costs for the background check/drug screening. The site must apply the same criteria to the College’s students as it does to its own employees under its current hiring practices. The College advises students that as a result of a criminal background check/drug screening the field experience site may reject any student and bar them from the site in accordance with site policies.
- The field experience site will provide an appropriate orientation to the students and advise them of all applicable rules and regulations including orientation to the risk of

exposure to blood borne viral diseases such as HBV/HIV and to other communicable diseases; to chemical and other environmental hazards in compliance with federal hazard communications regulations; to fire safety procedures at the Facility; and to provide basic training on the confidentiality and privacy requirements of the federal HIPAA law.

- The site must provide a safe physical facility and environment in addition to adequate instruction, supervision, guidance and evaluation of students. The site must complete and promptly return any evaluations requested by the College. Both parties agree to cooperate with each other and share information in the event that any investigation is conducted with respect to a student's experience or performance at the field experience site. Students may be asked to sign a form granting the College and the site permission to share information relevant to his or her experience or performance.
- The field experience site assumes ultimate responsibility for the care of patients and the direction of the site's operations.

Registration Compliance

As required by Iowa Code Section 261B.4, the College submitted a policy for refunding tuition charges to withdrawn students. Since Brown Mackie College is a for-profit institution, its tuition refund policy must comply with Iowa Code Section 714.23. Staff determined that the College's policy is compliant and it is currently disclosed in the addendum to the 2012-2013 College Catalog at

https://content.edmc.edu/assets/pdf/BMC/Academic_Catalogs/catalog-quad-cities.pdf.

Administrative rules for registered schools specifically require a school to comply with the requirements of Chapter 261.9(1) "e" through "h".

- Iowa Code Section 261.9(1)(e) requires a school to maintain and disseminate a drug and alcohol abuse policy that includes sanctions for violation of the school's policy and information about the availability of drug or alcohol counseling or rehabilitation. Iowa Code Section 261.9(1)(f) requires a school to maintain and disseminate a sexual abuse policy that includes information about counseling opportunities and reporting instances of sexual abuse to school officials and law enforcement. These requirements duplicate policies and disclosures required by the federal Department of Education for a school that participates in the federal student aid programs. Brown Mackie College maintains drug and alcohol prevention policies, penalties for drug and alcohol violations and sexual violence policies and resources on its website, as follows:
 - ✓ https://content.edmc.edu/assets/pdf/BMC/Student_Consumer_Information/Drug_Alcohol_Policies/drug-alcohol-policies-quad-cities.pdf.
 - ✓ https://content.edmc.edu/assets/pdf/BMC/Student_Consumer_Information/Crime_Reports/crime-report-quad-cities.pdf.
- Iowa Code Section 261.9(1)(g) requires a school to maintain a special policy tuition and mandatory fee charges for members of the Iowa National Guard or reserve members of the U.S. Armed Forces, or the spouse of such a member if the member has a dependent child, when the service member or spouse must withdraw from the school because the service member has been called to active (Iowa) state or federal military duty or service. The College discloses a compliance policy in its Catalog for the BMC – Quad Cities

https://content.edmc.edu/assets/pdf/BMC/Academic_Catalogs/catalog-quad-cities.pdf.

- Iowa Code Section 261.9(1)(h) requires a school to develop and implement a policy for employees who, in the course of their employment, attend, examine, counsel, or treat a child and who suspect the physical or sexual abuse of that child. By cross-reference from existing administrative rules for registration [283-21.2(261B), subsection 7], this policy applies to Iowa's registered schools who compensate one or more parties to conduct instruction or other operational activities on the school's behalf at an Iowa location. The College discloses a compliant policy in its Employee Handbook, which it provided as an addendum to its registration application. **Waiting on copy of Employee Handbook.**

Student Consumer Information: In its registration application, the College affirms its willingness to comply with the requirements of Iowa Code Chapter 261.9, as stipulated by Iowa Code Section 261B.4(8). Chapter 261.9 requires disclosure to students of information about the school's programs, charges, tuition refund policies, whether a certificate or diploma awarded by the school is applicable toward a degree program the school offers, and the identity of the school's accrediting agency. These disclosures are duplicative of the federal Department of Education's student consumer information disclosure requirements for a school that participates in the federal student aid programs. The College provides this information to prospective students in its Gainful Employment disclosures, Catalog, and on a dedicated Accreditation page on its website:

- ✓ https://content.edmc.edu/assets/pdf/BMC/Academic_Catalogs/catalog-quad-cities.pdf
- ✓ <https://www.brownmackie.edu/why-brown-mackie/gainful-employment>
- ✓ <https://www.brownmackie.edu/about-us/accreditation>

The College affirms on the application that it will comply with the provisions of Iowa Code Section 261B.7. These provisions of Iowa Code state that, provided the school does not claim "approval" or "accreditation," the school must disclose to students that it is registered by the Commission and disclose Commission contact information for students who have questions or complaints about the school. The College discloses its Iowa registration and the Commission's contact information for the Quad Cities campus on its accreditation page at <https://www.brownmackie.edu/about-us/accreditation> and in its Catalog https://content.edmc.edu/assets/pdf/BMC/Academic_Catalogs/catalog-quad-cities.pdf.

Financial Responsibility: Brown Mackie College is a subsidiary of its parent company EDMC and is therefore audited as a subsidiary of EDMC. The College provided a copy of an independent audit of EDMC and Subsidiaries for the corporation's fiscal years ending June 30, 2014 and 2013. The audit was conducted by the independent auditing firm Ernst & Young, LLP. The auditing firm expressed its opinion that the corporation's financial statements presented fairly, in all material respects, the financial position of EDMC and Subsidiaries.

- A nonpublic school that participates in the federal student aid programs must maintain a composite score, based on a three-factor financial responsibility ratio, of at least 1.5 in order to be determined financially responsible without additional oversight. In its independent audit conducted by Ernst & Young, LLP, EDMC reports that the corporation's overall composite score was -1.0 for the corporate fiscal year

ending June 30, 2014. Thus, EDMC did not meet the required measure of financial responsibility. All of EDMC's institutions, including Brown Mackie College, are therefore provisionally certified to participate in federal student aid programs until December of 2018, under an irrevocable letter of credit (LOC) posted with the federal Department of Education in the amount of \$302.2 million. The amount of the LOC equals 15 percent of the total Title IV aid received by students attending EDMC institutions during the institutional fiscal ending June 30, 2013.

- A for-profit school that participates in the federal student aid programs must demonstrate that no more than 90% of its revenue is derived from Title IV funding. In its independent audit conducted by Ernst & Young, LLP, EDMC reports that the percentage of revenue all EDMC institutions derived from federal student aid was 76% for the corporate fiscal year ending June 30, 2014.

Full-Time Iowa Resident Faculty Member or Program Coordinator: BMC – Quad Cities College Bulletin https://content.edmc.edu/assets/pdf/BMC/Academic_Catalogs/bulletin-quad-cities.pdf reports that, as of February 18, 2016, BMC - Quad Cities employs four full-time faculty members devoted to Iowa students.

Instructional Staff Qualifications: Staff reviewed approximately 31 summaries of educational credentials for faculty teaching in the programs offered at BMC - Quad Cities. It is important to note that the highest educational credential awarded by BMC - Quad Cities is an associate degree.

Of all profiles reviewed, staff noted three faculty members who had a baccalaureate degree. One of these individuals teaches in the diploma-level medical assisting program and has educational experience in that specific field, an associate degree in another allied health field, and a baccalaureate degree in accounting. Another faculty member with a baccalaureate degree teaches in the occupational therapy assistant program. She has a degree in occupational therapy and has been a licensed occupational therapist in Iowa for approximately 23 years. The third individual has a bachelor's degree in business education and appears to be teaching lower level general education courses in the College's associate degree programs.

The remaining faculty hold at least a master's degree in fields such as mathematics, nutrition, criminal justice, biology, communications, forensic psychology, business, education, English, information architecture, accountancy, occupational therapy, organizational management, organizational leadership, computer science, health care administration, and performance arts. One of the faculty members with a master's degree is working on his doctoral degree in organizational leadership. Eight faculty members have a doctoral degree in areas such as chiropractic medicine, osteopathic medicine, English, or law.

Commitment to Iowa Students and Teach-Out: By executing her signature on the application, the Brown Mackie College - Quad Cities Campus President commits to the delivery of programs in Iowa, and agrees to provide alternatives for students to complete programs at the Quad Cities campus or another school if BMC - Quad Cities closes a program or the campus closes.

Student Complaints: None.

Compliance with Iowa Code Chapter 714

Section 714.18 – Evidence of Financial Responsibility

Brown Mackie College – Quad Cities has filed satisfactory evidence of financial responsibility under Iowa Code Section 714.18, including a continuous corporate surety bond in the amount of \$50,000 payable to the State of Iowa and issued by Platte River Insurance Company.

Section 714.23 – State Tuition Refund Policy

Brown Mackie College – Quad Cities maintains a compliant tuition refund policy for students who withdraw from its campus, and discloses that policy to students at https://content.edmc.edu/assets/pdf/BMC/Academic_Catalogs/catalog-quad-cities.pdf.

Compliance with Iowa Code Chapter 261F

Preferred Lender List: Brown Mackie College – Quad Cities provides generic information about the availability of an alternative (i.e., private) education loan in its Student Consumer Information at <https://www.brownmackie.edu/locations/quad-cities/student-consumer-information>. The College's disclosures specifically state that an alternative education loan is not to be used as a substitute for federal Direct Loans and is intended to provide additional funding after all federal loans are sought. The College directs students to the lender of the student's choice. The College does not refer students to specific private education loan lenders.

Student Loan Code of Conduct: Students may review Brown Mackie College's Student Loan Code of Conduct in the College's Student Consumer Information disclosures at <http://www.brownmackie.edu/documents/student-consumer-information/student-lending-code-conduct.pdf>. Staff reviewed the College's Code of Conduct and determined that it is compliant with Iowa Code Chapter 261F.

Additional Information

On November 16, 2015, a Consent Judgment https://www.iowaattorneygeneral.gov/media/cms/EDMC_Consent_Order_C3A2D45F174D3.pdf was filed in the Iowa District Court for Polk County between the State of Iowa, by Iowa Attorney General Tom Miller, and Brown Mackie College - Quad Cities' parent company, EDMC. The Consent Judgment resolved the State of Iowa's concerns regarding EDMC's compliance with the Iowa Consumer Fraud Act, and particularly with respect to EDMC's recruitment and enrollment practices relating to its postsecondary educational offerings. This Consent Judgment was filed simultaneously with similar judgments in 37 other states and the District of Columbia.

The Consent Judgment calls for the appointment of an impartial Administrator to oversee EDMC's compliance with the terms of the Judgment over the course of three years. The various States' Attorneys General, EDMC are to work with the Administrator to agree on a proposed work plan to achieve EDMC's compliance with matters that include but are not limited to, the following:

- Implementation of a Single-Page Disclosure Sheet for prospective students that provides data about total program costs, median debt of program completers, Stafford loan cohort default rates, program completion rates, the transferability of credits, median earnings for program completers, and job placement rates, if available
- Implementation of a prescribed method for calculating job placement rates and verifying data used in the calculation
- Implementation of a personalized disclosure for certain, prospective students using a Financial Impact Platform Disclosure, as developed either by the federal Consumer Financial Protection Bureau or by EDMC in conjunction with the Administrator and State Attorneys General
- Transparency in disclosures to students about whether EDMC schools have accreditation necessary to qualify certain program graduates for professional licensure
- Training admissions staff, recording and auditing their communications with prospective students about admissions, financial aid, or career services
- Tuition refund requirements for certain students who withdraw

Under the terms of the Consent Judgment, EDMC agreed to forgo efforts to collect debt owed to EDMC schools for students who enrolled in a program with fewer than 24 hours of transfer credit and who withdrew from the school between January 1, 2006, and December 31, 2014. The amount of debt owed to EDMC schools by this group of students is estimated to be approximately \$102,800,000.

This Consent Judgment specifically states that no part of it constitutes an admission by EDMC that it ever engaged in conduct that the Consent Judgment prohibits going forward. In addition, the Consent Judgment cannot be used as evidence against EDMC in any action brought by any person or entity for any violation of any federal or state law or rule, except that the Attorney General may take action to enforce the terms of the Judgment.