



The University of North Carolina

GENERAL ADMINISTRATION

POST OFFICE BOX 2688, CHAPEL HILL, NC 27515-2688

ALAN R. MABE, *Senior Vice President for Academic Affairs*

Telephone: (919) 962-4614 Fax: (919) 962-0120 E-mail: mabe@northcarolina.edu

Constituent Universities
Appalachian State
University

East Carolina
University

Elizabeth City
State University

Fayetteville State
University

North Carolina
Agricultural and
Technical State
University

North Carolina
Central University

North Carolina
State University
at Raleigh

University of
North Carolina
at Asheville

University of
North Carolina
at Chapel Hill

University of
North Carolina
at Charlotte

University of
North Carolina
at Greensboro

University of
North Carolina
at Pembroke

University of
North Carolina
at Wilmington

University of
North Carolina
School of the Arts

Western Carolina
University

Winston-Salem
State University

Constituent High School
North Carolina
School of Science
and Mathematics

An Equal Opportunity/
Affirmative Action
Employer

March 29, 2010

TO: Members, Committee on Educational Planning, Policies, and Programs
FROM: Alan Mabe
SUBJECT: Recommended Approval of Programs for Licensure

Background: From 1923 to 1963, the State Board of Education licensed nonpublic institutions to confer degrees in North Carolina. In 1963, the General Assembly transferred this responsibility to the State Board of Higher Education. In 1972, the General Assembly dissolved the State Board of Higher Education and assigned the responsibility for licensure to the Board of Governors of The University of North Carolina.

Thus, the Board of Governors is charged under North Carolina General Statute, Section 116-15, with responsibility for licensing nonpublic educational institutions to conduct post-secondary degree activity in North Carolina in accord with rules, regulations and procedures it establishes. This includes all institutions that were not grandfathered in at the time of the 1972 statute and any out-of-state institution (public or private) seeking to offer postsecondary degree activity in North Carolina. The General Assembly clearly intended that post-secondary degree activity be carefully overseen in the State to protect the citizens of North Carolina from consumer fraud or deceptive acts or practices. (*Additional information about licensure included at the end of this section.*)

Jurisdictional Authority: The General Statutes of the State of North Carolina specify that the powers and duties of the Board of Governors of the University of North Carolina, in addition to those related to governance of the constituent institutions of the University, include regulatory authority to issue to certain nonpublic post-secondary educational institutions licensure to conduct post-secondary degree activity in North Carolina. The statute pertaining to such licensing, North Carolina General Statutes Section 116-15, is reproduced in the Appendix to the Rules and Standards to be found at the UNC Website at: http://www.northcarolina.edu/aa_planning/licensure/Rules_Standards_Master_Updated_1-081.pdf

Issues Involved: Four degree proposals are from Capella University, two are from John Wesley College, and one is from Miller-Motte College. Proposals from all three schools have been reviewed in terms of the Rules and Standards for Licensure and teams have visited both schools.

Recommended Action: Based on the proposed programs meeting the Board's requirements for licensure, the President recommends the awarding licensure to these six programs.



The University of North Carolina

POST OFFICE BOX 2688, CHAPEL HILL, NC 27515-2688

ERSKINE B. BOWLES, *President*

Telephone: (919) 962-1000 FAX: (919) 843-9695

E-mail: ebowles@northcarolina.edu

Constituent Universities
Appalachian State
University

East Carolina
University

Elizabeth City
State University

Fayetteville State
University

North Carolina
Agricultural and
Technical State
University

North Carolina
Central University

North Carolina
State University
at Raleigh

University of
North Carolina
at Asheville

University of
North Carolina
at Chapel Hill

University of
North Carolina
at Charlotte

University of
North Carolina
at Greensboro

University of
North Carolina
at Pembroke

University of
North Carolina
at Wilmington

University of
North Carolina
School of the Arts

Western Carolina
University

Winston-Salem
State University

Constituent High School
North Carolina
School of Science
and Mathematics

An Equal Opportunity/
Affirmative Action Employer

MEMORANDUM

TO: Committee on Educational Planning, Policies, and Programs

FROM: Jeff Davies, Chief of Staff *JD*

DATE: March 25, 2010

SUBJECT: Licensure of Capella University

The Board of Governors of the University of North Carolina is charged under North Carolina General Statute Section 116-15 with responsibility for licensing nonpublic educational institutions to conduct post-secondary degree activity in North Carolina. In November 2004, the Board of Governors approved revisions to the document, *Rules and Standards: Licensing Nonpublic Institutions to Conduct Degree Activity in North Carolina*. This document provides the guidelines for interpreting the standards, and the rules, regulations, and procedures under which the Board issues licenses to institutions to conduct post-secondary degree activity in North Carolina.

Capella University applied for licensure to offer the Master of Science in Education, Master of Science in Human Services, and Master of Science in Psychology degree programs. The proposed degree programs will be offered online for students in North Carolina, with each degree program requiring a practicum or an internship at a site in North Carolina.

Dr. Harry Williams reviewed the application and appointed a team of examiners to determine if Capella University complied with the licensure standards outlined in *Rules and Standards*. On January 7, 2008, the team of examiners visited the Minneapolis, MN campus of Capella University. Following the site visit, the team of examiners issued its report with suggestions and recommendations, and a final recommendation to grant licensure to the three proposed degree programs subject to compliance with the recommendations contained in the report. Dr. Prochaska agrees with the team's review and recommendations. For more details on the degree programs, report and recommendations, please review the summary.

Thus, I recommend to the Committee on Educational Planning, Policies, and Programs of the UNC Board of Governors that a regular license be issued to Capella University to offer the Master of Science in Education, Master of

Science in Human Services, and Master of Science in Psychology degree programs, subject to annual reports and review at any time. Within one year or less from the date of licensure, Capella University will be reviewed, to judge whether the institution continues to maintain standards for licensure.

Enclosure: Summary

SUMMARY OF VISIT OF TEAM OF EXAMINERS FOR CAPELLA UNIVERSITY

BACKGROUND INFORMATION

Capella University is a wholly-owned subsidiary of Capella Education Company (CEC), which is headquartered in Minneapolis, Minnesota. Capella was originally founded in 1993 as The Graduate School of America. Originally, the University offered online master's and doctoral degrees in management, education, and human services.

In 1997, the University achieved accreditation from The Higher Learning Commission (HLC) and became a member of the North Central Association of Colleges and Schools (NCA). Shortly after becoming accredited, the University changed its name to Capella University and established the six Schools that exist today: Business and Technology, Education, Human Services, Public Service Leadership, Psychology, and Undergraduate Studies.

THE APPLICATION AND SITE VISIT

Capella University proposes to offer the following three degree programs online for students in North Carolina, with each degree program requiring a practicum or an internship at a site in North Carolina:

- Master of Science in Education
- Master of Science in Human Services
- Master of Science in Psychology

Pursuant to the *Rules and Standards: Licensing Nonpublic Institutions to Conduct Post-Secondary Degree Activity in North Carolina*, Dr. Harry L. Williams, Interim Associate Vice President for Academic Affairs at UNC General Administration, appointed a team of examiners to visit the institution and evaluate its compliance with the licensure standards. The visit to Capella University in Minneapolis, Minnesota took place on January 7, 2008.

The team of examiners with expertise in the specific disciplines relating to the application was comprised of:

- Dr. Richard E. Neel (Chair), Dean Emeritus, Belk College of Business, and Professor of Economics Emeritus, University of North Carolina at Charlotte, Charlotte, North Carolina
- Dr. Christopher M. Murphy, Professor of Psychology, University of Maryland at Baltimore County, Baltimore, Maryland
- Charles J. Popovich, Head Librarian, Business Library, and Associate Professor, Ohio State University, Columbus, Ohio
- Dr. William D. Siegfried, Professor of Psychology, and Director of the UNC Charlotte Uptown Center, University of North Carolina at Charlotte, Charlotte, North Carolina
- Dr. John A. Swope, Interim Dean, College of Education, and Associate Professor of Education, East Carolina University, Greenville, North Carolina
- Dr. Harry L. Williams, Interim Associate Vice President for Academic Affairs, The University of North Carolina General Administration, Chapel Hill, North Carolina, *Ex Officio*

The team's task was to review the application and accompanying fifteen exhibits and to participate in a site visit to determine if the institution demonstrated compliance with licensure standards. Before, during, or after the visit, many additional items of documentation were reviewed by the team including curricula for the proposed degree programs; curriculum vitae for both the core (full-time) and adjunct (part-time) faculty members; course syllabi; library and electronic resources; computer resources; educational facilities; enrollment data; audited financial statements; Capella University's 2007-2008, 2008-2009, and 2009-2010 *University Catalogs*; Capella University *Faculty Handbook*; Capella University *Learning Outcomes Assessment Handbook*; and other materials.

During the visit, the team of examiners met with numerous administrators, faculty, staff, and students of Capella University.

PROPOSED DEGREE PROGRAMS

Master of Science in Education

The Master of Science in Education program integrates recognized theory and best practices with practical application in a collaborative environment in order to enhance learners' abilities to excel as practitioners in their chosen specializations. Six specializations will be offered: Early Childhood Education; Leadership in Educational Administration; K-12 Studies in Education; Curriculum and Instruction; Reading and Literacy; and Instructional Design for Online Learning.

Master of Science in Human Services

The Master of Science in Human Services program prepares learners to assume leadership positions and influence social change as they build professional expertise. The program prepares graduates to be leaders, teachers, or practitioners in a variety of institutional, agency, community, educational, and health and health-related settings. Three specializations will be offered: Marital, Couple, and Family Counseling/Therapy; Mental Health Counseling; and School Counseling.

Master of Science in Psychology

The Master of Science in Psychology is designed for individuals seeking a theoretical and applied foundation in the field of psychology. Master's learners conduct their study of the profession with foundation courses in psychology and contact with faculty who are also professionals in the field, followed by residency and field experiences that provide opportunities to apply the knowledge and skills learned in the coursework. Two specializations will be offered: Clinical Psychology and Counseling Psychology.

RECOMMENDATIONS

After the site visit, the *Preliminary Report to the President of The University of North Carolina from the Team of Examiners for the Licensure Visit to Review Capella University's Proposed Master's Degree Programs in North Carolina* was submitted. In the report, the team of examiners included three suggestions and 21 recommendations. The suggestions reflect the professional judgment of team members, and do not signify that the institution is not in compliance with the *Rules and Standards*. A suggestion is written for the institution's benefit, and it does not need to be implemented; the recommendations, however, must be implemented.

by the institution. The recommendations addressed issues of information to be included in Capella University's *Catalog*, course syllabi, library resources, faculty credentials, the tuition guaranty bond, and the U.S. Department of Education's Office of Inspector General's compliance audit examining Title IV funding.

The team of examiners concludes its report by stating it recommends that Capella University be licensed to offer the above-mentioned three Master's degree programs and specializations electronically in North Carolina subject to compliance with all of the Recommendations contained in this report.

After receiving the team of examiners' report, Capella University responded to the recommendations and suggestions. The team of examiners, after reviewing Capella University's response, requested some additional information on selected course syllabi and the credentials of selected faculty members. Capella University provided the additional requested information, and now all of the recommendations have been implemented to the satisfaction of the team of examiners.

Dr. Frank Prochaska agrees with the team's review and recommendations. Thus, General Administration recommends licensure of the following three new degree programs, to be offered electronically by Capella University: Master of Science in Education, Master of Science in Human Services, and Master of Science in Psychology.

If licensure is granted, a team of examiners with expertise in the field will review these three new degree programs offered by Capella University within one year or less from the date of licensure, to ascertain the University's compliance with the *Rules and Standards*, including the recommendations contained in the report.

Description of the Board of Governors Licensure Function

Background

From 1923 to 1963, the State Board of Education licensed nonpublic institutions to confer degrees in North Carolina. In 1963, the General Assembly transferred this responsibility to the State Board of Higher Education. In 1972, the General Assembly dissolved the State Board of Higher Education and assigned the responsibility for licensure to the Board of Governors of The University of North Carolina.

Thus, the Board of Governors is charged under North Carolina General Statute, Section 116-15, with responsibility for licensing nonpublic educational institutions to conduct post-secondary degree activity in North Carolina in accord with rules, regulations and procedures it establishes. This includes all institutions that were not grandfathered in at the time of the 1972 statute and any out-of-state institution (public or private) seeking to offer postsecondary degree activity in North Carolina. The General Assembly clearly intended that post-secondary degree activity be carefully overseen in the State to protect the citizens of North Carolina from consumer fraud or deceptive acts or practices.

Jurisdictional Authority

The General Statutes of the State of North Carolina specify that the powers and duties of the Board of Governors of the University of North Carolina, in addition to those related to governance of the constituent institutions of the University, include regulatory authority to issue to certain nonpublic post-secondary educational institutions licensure to conduct post-secondary degree activity in North Carolina. The statute pertaining to such licensing and exemption, North Carolina General Statutes Section 116-15, is reproduced in the Appendix to the Rules and Standards to be found at the UNC Website at:

http://www.northcarolina.edu/aa_planning/licensure/Rules__Standards__Master_Updated_1-081.pdf.

In carrying out its licensing and exemption from licensure responsibilities, the Board has clear statutory directions. With regard to licensing, the statutes specify that 15 standards must be met by nonpublic institutions in such critical areas as curricula, faculty, library, and financial stability. Since licensure is a mandatory state process it is very different from accreditation through voluntary accrediting agencies such as the Southern Association of Colleges and Schools. If an institution meets the requirements for licensure it expects to receive that licensure.

Enforcement

If the President determines that an institution has failed to seek licensure or exemption from licensure as statutorily required or failed to fulfill any obligation attendant to licensure or exemption, the President may request that the State Attorney General take appropriate action.

Licensing Process

The process for licensing is an extensive one as delineated in *Rules And Standards – Licensing Nonpublic Institutions to Conduct Post-Secondary Degree Activity in North Carolina* (see URL above). It begins with the chief executive officer or designee of a prospective applicant institution requesting a preliminary conference with UNC General Administration staff to review the standards and procedures for applying for licensure.

If a potential applicant institution concludes that it meets the standards, the chief executive officer submits to UNC General Administration a letter of formal application accompanied by extensive documentation that the institution complies with and is capable of maintaining the standards for an extended period sufficient for a student to complete his/her program of study.

UNC-GA staff reviews the application and documentation, and once they are judged to be in order for a team of examiners' visit, the staff arranges for a team visit to the main campus of the applicant institution and perhaps to proposed degree activity sites in North Carolina. Each individual degree activity site in North Carolina must meet licensure requirements.

The purpose of the team visit is to confirm that documentation submitted by the institution is correct and appropriately demonstrates compliance with the 15 standards. The standards devote considerable attention to adequacy of the proposed programs of study, methods of instructional delivery, faculty, library, facilities, and overall financial condition of the applicant institution.

The team of examiners is composed of staff (ex-officio), faculty members in appropriate disciplines representative of public and private institutions, administrators, librarians, and other specialty persons necessary for a sound and thorough examination. One member is appointed chairperson with responsibility for leading the examination and preparing the team's written report of its findings and recommendations.

Costs connected with the examination and subsequent visits are paid by the institution. Visits usually are one or two days in duration, depending on the sites visited. On completion of a visit the team submits its report and recommendations. A final concluding recommendation to recommend or deny licensure is included. All recommendations are advisory to the UNC President who recommends final action to the Board of Governors. (Applicant institutions usually withdraw their application for licensure if denial is anticipated, which accounts for few denials going before the Board.)

Once licensed, an institution is subject to review visits at any time to determine whether the institution continues to meet the licensure standards. Review shall always occur 1) either one or two years after initial licensure, 2) if the institution is legally reconstituted, or 3) if ownership changes. A new application and site visit are also required each time a licensed institution wishes to offer a new degree program.

Each licensed institution submits an annual report to UNC-GA staff concerning matters such as enrollment, faculty employed, financial stability, prepaid tuition bond updating, and maintenance of compliance with all licensure standards.

Exemptions from Licensure

The statute states that institutions offering degrees in theology, divinity, religious education, or for career preparation in a religious vocation, shall be exempt from licensure requirements and that institutions that undertake post-secondary degree activity on the premises of military bases for military personnel stationed on active duty there (or their dependents or employees of the military) are exempt from licensure requirements.