



# The University of North Carolina

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February 22, 2005

## MEMORANDUM

TO: Committee on Educational Planning, Policies, and Programs

FROM: Molly Corbett Broad *MCB*

SUBJECT: Licensure of South College to Offer Degree Programs at Asheville, North Carolina

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. On February 8, 1974, the Board adopted its rules and standards for licensing nonpublic educational institutions to confer degrees. Following several refinements of the rules and standards, the Board on October 9, 1998, approved the present revision in compliance with 1984 amendments to G.S. 116-15 and in recognition of the growing importance of distance learning in the delivery of instruction.

Ms. Elaine Cue, Executive Director at South College (hereby referred to as "the Institution") sent a letter of intent on behalf of South College to apply for licensure to conduct degree programs in the following areas:

Associate in Applied Science in Criminal Justice  
Associate of Applied Science in Physical Therapy Assistant  
Bachelor of Science in Legal Studies

In response, Dr. Michelle Howard-Vital requested that the Institution submit an application describing proposed degree activity and demonstrating how it will comply with licensure standards "to provide an education of good quality." After review of the application, Dr. Howard-Vital appointed a Team of Examiners to visit the campus site of the proposed degree programs to judge whether the Institution meets criteria for licensure as set forth by the Board of Governors of The University of North Carolina. The Team visited South College on October 12-13, 2004 and submitted its preliminary report on November 23, 2004.

## APPENDIX O

The Team recommended that South College be licensed to conduct the above degree programs at Asheville, North Carolina, subject to completion of all recommendations of the Team of Examiners. A summary of the site visit, the review process, and the recommendation of the Office of the President is attached for your examination.

Subsequently, by letter dated February 16, 2005, South College notified the Office of the President that it accepts all of the Team's recommendations, has implemented some already, and will implement the remainder, immediately. The Office of the President concurs with the Team's recommendations and accepts the commitment of South College to implement them. Therefore, I recommend that a regular license be issued to the Institution to conduct the degree programs listed above at Asheville, North Carolina, subject to annual reports and review at any time. After two years have elapsed following licensure, South College will be reviewed again, to judge whether the Institution continues to maintain standards for licensure.

Enclosure: Summary

March 2005

Summary of Visit for Licensure by Team of Examiners to South College in Asheville, North Carolina

Background on South College- Asheville, North Carolina

South College-Asheville began as Cecil's Business College in 1905. The College was initially licensed to offer Associate of Applied Science degrees in 1975. Effective November 1, 1998, South College of North Carolina, Inc. purchased Cecil's College from Executive Schools, Inc. Effective November 1, 1998, all of the assets of Executive Schools, Inc., doing business as Cecil's College, were transferred to the new owner, South College of North Carolina, Inc. The name of Cecil's College was changed to South College-Asheville in February, 2002.

South College-Asheville is accredited by the Accrediting Council for Independent Colleges and Schools (ACICS). The Medical Assisting program is accredited by the Commission on Accreditation of Allied Health Education Programs on recommendation of the Committee on Accreditation for Medical Assistant Education. South College-Asheville was licensed on October 13, 2000 by the Board of Governors of The University of North Carolina to offer the Associate of Applied Science degree in the following six areas: Accounting, Business Administration, Medical Assisting, Network Technology, Office Technology, and Office Administration.

Another South College is located in Knoxville, Tennessee, and it is owned by the same persons who own South College –Asheville. The South College-Tennessee is authorized by the Tennessee Higher Education Commission to confer Bachelor of Science, Bachelor of Business Administration, and Associate of Science degrees, as well as various certificate level programs. It is also accredited by the Commission on Colleges of the Southern Association of Colleges and Schools to award baccalaureate and associate degrees.

October 12-13, 2004 Visit of Team of Examiners

On March 25, 2004, South College contacted the Office of the President to inquire about approval to offer two new associate degree programs: an Associate of Applied Science in Criminal Justice and an associate degree in Physical Therapy Assistant. Dr. Howard-Vital responded to the College's inquiry and informed the institution that an updated application and a site visit would be required to review the proposed degree programs.

On August 3, 2004, South College informed the Office of the President that the required application would be forwarded to the Office of the President for review. On August 16, 2004, the Office of the President received an application and updated materials. South College's application proposed that the institution offer a Bachelor of Science degree in Legal Studies, in addition to the previously mentioned associate degree programs. The application contained an overview of the proposed degree programs, updated catalog, faculty resumes, library update, and other information related to the Rules and Standards.

Dr. Howard-Vital appointed a Team of Examiners to evaluate the aforementioned materials and to conduct the site visit to South College to determine compliance with the licensure standards contained in The University of North Carolina Board of Governors Rules and Standards: Licensing Nonpublic Institutions to Conduct Degree Activity in North Carolina (revised October 1998).

A Team of Examiners visited South College-Asheville on October 12-13, 2004. Dr. Howard-Vital requested that the Team of Examiners 1) review the proposed new associate and baccalaureate degree programs, and 2) review the previously licensed associate degree programs.

The Team of Examiners included Dr. Richard E. Neel (Chair), Dean Emeritus, Belk College of Business Administration and Professor of Economics Emeritus, The University of North Carolina at Charlotte; Dr. Joe N. Cagle, Chair, Criminal Justice and Paralegal Department, Gaston College and Attorney and Counselor at Law; Dr. Jack Hogue, Assistant Dean for Student Affairs, Belk College of Business Administration; Ms. Betty Jones, Chair, Medical Assisting and Phlebotomy Department, Gaston College; Dr. William Stahl, University Librarian, Western Carolina University; Dr. George Wilson, Professor, Criminal Justice, North Carolina Central University; and Dr. Michelle Howard-Vital, Associate Vice President for Academic Affairs, The University of North Carolina (ex-officio).

Either prior to the visit or during the visit, the Team of Examiners reviewed several documents including the licensure applications for the three proposed programs and the accompanying exhibits, a copy of the South College-Asheville 2003-2004 Catalog, enrollment data, course syllabi, a copy of the South College-Asheville Faculty Handbook, the Executive Summary of the Institutional Effectiveness Plan (IEP), curriculum vitae of faculty members, faculty personnel files, library resources, computer resources, educational facilities, budget data, audited financial statements, and student records.

During the visit, the team met with Stephen A. South, Owner; R. Elaine Cue, Executive Director and Dean of Academic Affairs; Robert Davis, Head Librarian; Anne Moss, Office Manager; Michael Darnell, Director of Admissions; James Devine, Director or Financial Aid; Patricia Bernarding, Acting Department Chair, General Studies; Annie Butzner, Department Chair, Medical Assisting; Monte Clampett, Department Chair, Criminal Justice; Robert Pike, Jr., Department Chair, Business Administration; Dr. Susan Russo, Department Chair, Paralegal Studies and the proposed bachelor's degree program in Legal Studies; Vicki W. Samuels, Department Chair, Physical Therapy Assistant; Cyndi R. Slocumb, Department Chair, Network Technology; Regina L. Candler, part-time faculty member, Medical Assisting; Loretta Carlton, part-time faculty member, General Studies; Patricia David, part-time faculty member, Medical Assisting; Sue Hunt, part-time faculty member, Medical Assisting; Dale Karl, part-time faculty member, General Studies; Tara Luhrs, full-time faculty member, Surgical Technology certificate

program; Emory Underwood, part-time faculty member, Network Technology; Mary Ellen Wilson, part-time faculty member, Medical Assisting; and seven students.

A Preliminary Report was forwarded to the Office of the President by the chair of the Team of Examiners on November 23, 2004. The preliminary report was sent to South College to review for errors of fact or omissions by Dr. Howard-Vital on November 24, 2004. The Final Report was forwarded to South College on December 10, 2004.

In its Final Report, the Team of Examiners recommended that South College be licensed to offer the Associate in Applied Science in Criminal Justice and Physical Therapy Assistant, subject to compliance with all recommendations contained in the report. Additionally, the Team recommended that South College be authorized to offer the Bachelor of Science in Legal Studies. The Team of Examiners further recommended that the license of South College to offer the previously licensed associate degree programs (in Accounting, Business Administration, Medical Assisting, Network Technology, Office Technology, and Office Administration) be continued, subject to compliance with all the recommendations contained in the report.

The Team of Examiners delineated twenty-six recommendations to the attention of South College so that it could come into compliance with the Rules and Standards. South College responded to these recommendations in correspondence dated December 15, 2004 and January 21, 2005. The Team reviewed the Institution's responses. On February 6, 2005, the chair of the Team of Examiners forwarded the Team's review of the replies of South College to the Office of the President. The Institution's responses led to further dialog among Team members and four new, but related, recommendations were added concerning organizational structure. In correspondence dated February 9, 2005, South College responded to the new recommendations. In its February 16th communication, the Team indicated it was satisfied with South College's response to all recommendations delineated in this summary but had one further observation about the administrative reporting structure. Dr. Howard-Vital communicated this organizational structure concern to South College, and the institution responded in writing on February 16th that the concern would be resolved with one change in the organizational structure.

The majority of the Team's recommendations involve faculty credentials. The Team of Examiners strongly recommended that South College-Asheville come into compliance with Standard Five involving faculty and administrative credentials and hire faculty who hold at least the master's degree or the equivalent in the field of specialization in which they are teaching at the time of their employment.

South College-Asheville responded by stating that it concurred with the recommendation and would comply with Standard Five. Likewise, the Team of Examiners strongly recommended that South College must comply with Standard Five on faculty credentials in its proposed bachelor's degree program. Faculty must hold at least the master's degree or the equivalent in the field of specialization in which they are teaching with a majority of those faculty having satisfactorily completed work beyond the master's degree and with a significant number (25 percent) holding the doctor's degree. South College

responded that it would comply with Standard Five and hire faculty with the appropriate credentials.

To insure compliance with Standard Five, the Team of Examiners recommended that South College-Asheville demonstrate to the Office of the President of The University of North Carolina that new faculty members hold the educational credentials required by the Rules and Standards. South College-Asheville again confirmed its commitment to hire faculty who meet the educational standards required by the Rules and Standards and the Institution agreed to send to the Office of the President of The University of North Carolina the appropriate documentation that new faculty hold these credentials.

Further, the Team of Examiners recommended that South College-Asheville, respond to the qualifications of specific faculty members identified by the Team, either (a) indicating its concurrence with the judgment of the Team of Examiners about the educational credentials of the faculty members, or (b) documenting that the faculty members have appropriate educational credentials to teach the courses.

Several faculty members, identified by the Team, were no longer teaching at South College-Asheville. South College agreed with the Team of Examiners that one faculty member, Ms. Wilson, does not meet the faculty requirements as stated in the Rules and Standards. South College agreed to replace her with an instructor who meets these requirements.

South College stated that another faculty member, Ms. Candler, was scheduled to defend her master's thesis on Friday, December 17, 2004. Final documentation of Ms. Candler's master's degree will be forwarded to The Office of the President of The University of North Carolina. If for any reason, Ms. Candler did not complete her master's degree, she will not be utilized to teach any A.A.S. degree courses as the Team of Examiners recommended.

South College presented a rationale for the educational equivalency for Ms. Sue Hunt. The Team did not agree with the college's rationale. In its February 9th correspondence, South College assured the Office of the President that Ms. Sue Hunt would teach only those students who were still in the program. Effective fall 2005, the medical transcription requirement will be removed from the requirements of the Associate of Applied Science degree program.

The Team of Examiners also recommended that the next edition of the South College-Asheville Catalog show the correct degree designations for Patricia Bernarding, Robert T. Clement, and John T. McCarthy. South College responded that it is in the process of publishing a new catalog and ensures the Team that all appropriate corrections will be incorporated in the new catalog.

Also regarding faculty, the Team of Examiners recommended that South College-Asheville promote and support faculty professional development funding opportunities

equally among the part-time faculty. South College responded that it encourages all faculty to participate in professional growth activities. In the faculty handbook, South College states that the professional growth activity expense may be reimbursed when appropriate and approved by the department chair and/or the dean. Professional growth activity plans are completed for every instructor by the appropriate department chair on an annual basis.

Regarding credentials for the Executive Director and the Dean of Academic Affairs, the Team recommended that South College comply with the Standards. South College responded that it is currently in the process of recruiting a Dean of Academic Affairs who will meet the Standards. South College requested that the Team of Examiners accept the Executive Director's experience as equivalent to a master's degree. The Office of the President did not agree with South College's request to accept Ms. Cue's experience as equivalent to a master's degree. In its February 9th correspondence, South College stated that a new administrative structure had been implemented at the institution. Rebecca G. South would assume the role of interim President of South College-Asheville. Ms. South holds an earned bachelor's degree and has served on the Board of Trustees of South College-Asheville since 1998. The executive director would report to Ms. South. This organizational change would allow Ms. Cue to complete work on her bachelor's degree which she expects to complete in February 2006. Mr. Bob Davis, who holds a MLS degree would serve as Dean of Academic Affairs and continue to provide supervision for the library staff. Ms. Davis's performance would be evaluated in six months to determine the effectiveness of this organizational structure. The credentials of Ms. South will be forwarded to the Office of the President.

The Team of Examiners recommended that South College-Asheville improve its composite score, as defined in 34 CFR, Part 668, and strengthen its overall financial position without sacrificing the quality of the educational experience it provides to the students. The college concurred with this recommendation, and it stated that the financial statements for 2003-04 are currently being audited. Preliminary calculations for the 2003-04 fiscal year indicate that the South College-Asheville financial ratio composite score will exceed 1.5 and a net profit will be realized. Therefore, South College believes it will meet the required standards set forth in 34 CFR, Part 668. As the new programs for which approval is being sought are implemented, the Institution anticipates a continued strengthening of its financial position, while maintaining the focus on providing quality educational experiences for all students.

The Team of Examiners recommended that South College-Asheville carefully monitor its compliance with 34 CFR, Part 600. The Institution agreed and stated it would comply with this recommendation. As this is a current requirement of the U.S. Department of Education, the Institution stated that it closely monitors compliance with the 90/10 rule and will continue to do so.

The Team of Examiners recommended that South College-Asheville provide the Office of the President of The University of North Carolina with a copy of the College's audited

financial statements for the fiscal year ended October 31, 2004 as soon as they become available. South College stated that a copy of the audited financial statement for the fiscal year ended October 31, 2004 will be forwarded as soon as possible.

There were five recommendations involving the library and two recommendations involving learning resources. The Team of Examiners recommended that South College-Asheville establish formal written agreements with the Mountain Area Health Education Center and the Asheville-Buncombe County Public Library to provide programmatic support for the students in South College-Asheville courses. The institution responded that it is working on a proposal to establish such agreements.

The Team of Examiners also recommended that South College-Asheville hire a full time library assistant to provide coverage for the Health Professions Library when it opens. South College-Asheville stated that it intends to hire a full-time library assistant to provide coverage for the Health Professions Library when the library opens in six months.

The Team of Examiners further recommended that South College-Asheville provide a set allocation for library materials at the beginning of each fiscal year, so that the library can implement an ongoing, long-term collection development program. The Institution responded that the library budget included \$24,000 allocated for the purchase of serial titles for the library collections and \$30,000 for the purchase of monographic titles and audiovisual materials. South College-Asheville affirmed that it would continue to provide a systematic budgeting process to allow for appropriate planning by each department, including the library. Moreover, the Team recommended that the library allocation be increased to acquire materials for the proposed academic degree programs.

The Team of Examiners recommended that South College-Asheville provide the Office of the President of The University of North Carolina with supporting statistical information which will confirm the accuracy of the numbers shown above under Standards 10, A,(2)(a), 10, A,(2)(b), and 10, A, (2)(c) of this report. South College-Asheville apologized for confusion in the calculation of these ratios. South College stated that the auditors who prepare the annual financial statements have provided direction and the statistical calculations have been rectified and are available for review. These statistical calculations were reviewed by members of the Team.

The Team of Examiners recommended that South College-Asheville revise its organizational structure and/or its organizational chart so that the two are consistent. South College responded that the organizational chart for South College-Asheville has been revised to indicate that the Dean of Academic Affairs position is currently vacant, and the position of Placement Director has been removed from the chart.

The Team of Examiners recommended that South College-Asheville provide students with a list of emergency medical facilities. South College-Asheville responded that it currently provides medical facility telephone numbers to students for assistance in areas such as drug and alcohol dependency and local numbers for counseling in all areas. In addition to those numbers provided, the college has composed a list of emergency



medical facilities and services with an attached list of all emergency numbers for both the city of Asheville and Buncombe County.

The Team of Examiners recommended that South College-Asheville provide adequate back-up support in its Office of Financial Aid when the College does not have a Director of Financial Aid. The Institution concurred with this recommendation; college staff is instructed to contact the support aid staff members who will work on any issues requiring immediate attention and provide resolution.

The Team of Examiners recommended that all television advertisements for South College-Asheville show the facilities, including the computer laboratory, of South College-Asheville rather than those of another institution. South College responded that the television commercials for South College-Asheville are produced by a nationally recognized and respected advertising company that focuses on educational institutions. All shots are of individuals working in the advertised field (i.e. medical assistant, surgical technologist, paralegal, business).

The Office of the President recommends that South College-Asheville be licensed to offer two new associate degree programs: an Associate of Applied Science in Criminal Justice and an Associate of Applied Science in Physical Therapy Assistant. Additionally, the Office of the President recommends that South College-Asheville be licensed to offer the Bachelor of Science degree in Legal Studies.