



The University of North Carolina

OFFICE OF THE PRESIDENT

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University

East Carolina
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Elizabeth City
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North Carolina
Agricultural and
Technical State
University

North Carolina
Central University

North Carolina
School of
the Arts

North Carolina
State University
at Raleigh

University of
North Carolina
at Asheville

University of
North Carolina
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University of
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North Carolina
at Greensboro

University of
North Carolina
at Pembroke

University of
North Carolina
at Wilmington

Western Carolina
University

Winston-Salem
State University

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MEMORANDUM

DATE: April 20, 2005

TO: Committee on Educational Planning, Policies, and Programs

FROM: Molly Corbett Broad *MCB*

SUBJECT: Licensure of the Art Institute of Charlotte to offer Bachelor of Arts degree in Graphic Design, Bachelor of Arts degree in Interactive Media Design, and Bachelor of Arts degree in Culinary Arts Management in Charlotte, 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 approved the present revision on October 9, 1998 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.

Elizabeth M. Guinan, president of the Art Institute of Charlotte sent a letter of intent on behalf of the Institute to apply for licensure to conduct degree programs in the following areas:

Bachelor of Arts in Culinary Arts Management
Bachelor of Arts in Graphic Design
Bachelor of Arts in Interactive Media Design

In response, Dr. Michelle Howard-Vital requested that the Institute 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 to judge whether the Institute meets criteria for licensure as set forth by the Board of Governors of the University of North Carolina. The Team visited the Art Institute of Charlotte on January 27-28, 2005 and submitted its preliminary report on February 24, 2005.

The Team recommended that the Art Institute of Charlotte be licensed to conduct the above degree programs in Charlotte, 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, in letters dated March 15, 2005 and April 15, 2005, the Art Institute of Charlotte 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 the Art Institute of Charlotte to implement them. Therefore, I recommend that a regular license be issued to the Institute to conduct the degree programs listed above in Charlotte, North Carolina subject to annual reports and review at any time. After one year has elapsed following licensure, the Art Institute of Charlotte will be reviewed again, to judge whether the Institute continues to maintain standards for licensure.

Enclosure: Executive Summary

April 15, 2005

Summary: Team of Examiners' Visit to The Art Institute of Charlotte

Background

The Art Institute of Charlotte, formerly known as the American Business and Fashion Institute, was granted Articles of Incorporation in the State of North Carolina on November 22, 1972. It has been in continuous operation since that time. Ownership changed in August, 1999 when The Art Institutes International, Inc. acquired The American Business and Fashion Institute and changed its name to The Art Institute of Charlotte.

The Art Institute of Charlotte (AiCH) is a wholly owned subsidiary of The Art Institutes International, Inc., which is a wholly owned subsidiary of Education Management Corporation (EDMC), based at 210 Sixth Avenue, Pittsburgh, Pennsylvania 15222. The Art Institutes International, Inc. system represents the main operating unit of Education Management Corporation. EDMC has 70 primary campus locations in 24 states and two Canadian provinces. Student enrollment exceeded 66,000 at EDMC campuses as of fall 2004. EDMC education institutions offer academic programs concentrated in the media arts, design, fashion, culinary arts, behavioral sciences, health sciences, education, information technology and business fields, culminating in the award of associate's through doctoral degrees. EDMC has provided career-oriented education for over 40 years.

The Board of Governors has approved licensure for The Art Institute of Charlotte to offer the associate of applied science degrees in culinary arts, fashion marketing, graphic design, interior design, and interactive media design (formerly titled multimedia and web design). Additionally, the Board of Governors has approved licensure for the Bachelor of Arts degree in fashion marketing and management and interior design.

The Art Institute of Charlotte is accredited by the Accrediting Council for Independent Colleges and Schools (ACICS). The Accrediting Council is a non-profit education corporation that is recognized by the United States Secretary of Education as an independent and autonomous national accrediting body that accredits institutions of higher education offering programs of study through the master's degree level. The scope of ACICS recognition by the Secretary is defined as accreditation of private post secondary institutions offering programs that are designed to train and educate persons for careers or professions where business applications or doctrines, supervisory or management techniques, professional or paraprofessional applications, and other business-related applications support or constitute the career.

Application and Site Visit

On November 5, 2004, The Art Institute of Charlotte submitted an application and supporting documentation to the Office of the President to offer three new Bachelor of

Arts degree programs: Culinary Arts Management, Graphic Design, and Interactive Media Design.

The goal of the proposed bachelor's degree program in graphic design is to help students develop creative conceptual thinking and to produce advanced applications of design solutions. Students are provided with intensive training in problem-solving, group dynamics, and state of the industry technology. The Art Institute of Charlotte expects that graduates of this program will possess the confidence and skills necessary to compete, manage, and lead in a wide variety of creative environments involving print and digital media. The proposed degree program in Interactive Media Design is a user-centered design program. Program outcomes focus on creativity, design strategy, and technology solutions across media platforms. Students are expected to be competent in interface design, interactivity, visual design, database design, dynamic content design, technology, and information design. Graduates are expected to find employment in the interactive design field. The goal of the Bachelor of Arts degree in culinary arts management is to provide a foundation for the graduate to advance in the culinary arts field or attain an entry-level management position in the food service industry. The institution states that curriculum review is an ongoing process at both the classroom and program levels.

Dr. Howard-Vital reviewed the application for the proposed degree programs and constructed a team of examiners with expertise in the aforementioned areas. As is delineated in the Rules and Standards, The Art Institute of Charlotte was required to demonstrate that it would be in compliance with the standards for the proposed new degree programs and that it continues to be in compliance with the standards for all Board of Governors' previously licensed degree programs.

The Team of Examiners included Dr. Richard Neel (chair), Dean Emeritus, Belk College of Business Administration, and Professor of Economics Emeritus, The University of North Carolina at Charlotte; Dr. Glenn E. Lewis, Professor of Industrial Design, Department of Industrial Design, College of Design, North Carolina State University, Raleigh, North Carolina; Dr. Eric K. Patterson, Assistant Professor of Computer Science, Department of Computer Science, Mr. Charles J. Popovich, Head Librarian, Business Library, and Associate Professor, Ms. Sheila Tillman, Chairperson of Hospitality Education, Asheville-Buncombe Technical Community College; and Dr. Michelle Howard-Vital (ex-officio), Associate Vice President for Academic Affairs, The University of North Carolina.

On January 27-28, 2005, the Team of Examiners visited The Art Institute of Charlotte, at its facilities in the LakePointe Office Park on Tyvola Road at Three Lake Pointe Plaza in Charlotte, North Carolina. During the two-day visit, the Team of Examiners met with numerous faculty, staff, and students at The Art Institute of Charlotte. The Team of Examiners looked closely at areas covered in the 15 licensure Standards. These areas included educational facilities, academic curricula, course syllabi, the faculty handbook, the student Handbook, faculty credentials, library resources, budget data, student data, computer resources, the latest financial audit, promotional materials, and student housing. During the visit, the team met with numerous representatives of The Art

Institute of Charlotte including the president, dean of academic affairs, director of human resources, dean of student affairs, director of administrative and financial services, director of admissions, director of library services, director of public relations, academic director of culinary arts, academic director of graphic design, the academic director of interactive media design, faculty, and students.

During the visit and in the final report, the team of examiners of examiners commended The Art Institute of Charlotte for requiring an exit requirement of a student portfolio. The portfolio furnishes an opportunity for the student to demonstrate achievements from a program of study. From its review of the application and site visit, the team of examiners generated 18 recommendations and three suggestions for the institution.

On February 24, 2005, the team of examiners submitted its Preliminary Report on The Art Institute of Charlotte to the Office of the President and the Team chair. The Preliminary Report was transmitted to The Art Institute of Charlotte for corrections of fact and errors of omission. On March 15, 2005, the Art Institute of Charlotte responded to the recommendations and suggestions contained in the team's final report. The team forwarded its reply to the institution's responses on April 8, 2005.

Even though The Art Institute of Charlotte is the sole occupant of a two-story, recently renovated 54,000 square foot building, several of the team's recommendations involve space. The team recommended that the institution insure that there are a sufficient number of parking spaces for students who purchase parking permits. The institution responded that it has a contract with a parking company to monitor, ticket, and boot cars that are illegally parked. The team indicated that the institution's response was satisfactory.

The team also recommended that the institution provide more computer space and work space for students in the form of an open lab. The Art Institute of Charlotte responded that it has a dedicated open lab with sixteen new computers. Moreover, the institution maintained that there were sufficient open lab hours in other computer rooms for the 715 students enrolled. Because the availability of open labs might not be communicated well to students, the institution affirmed that communication to students regarding open labs would be enhanced. The team accepted the institution's reply but indicated that as enrollment increases additional computing resources would need to be increased also.

Similarly, the team of examiners recommended that The Art Institute of Charlotte furnish more computing resources for its faculty. The institution responded that for 21 full-time faculty and 33 adjunct faculty, there were 17 computers, and it adheres to a three-year replacement policy. The Art Institute of Charlotte stated that it will place computers on the desks of full-time faculty members who teach in technology-focused degree programs such as interactive media. Two cubicles will also be placed in the faculty room with computers. The team replied that the institution's response was partially satisfactory. The team affirmed that all faculty should have computers, and a pool of computers should be available for part-time faculty. Further, the team recommended that the Art Institute of Charlotte provide current computers for all full time faculty and that those computers be equipped with current software.

The team recommended that the institution increase the number of faculty offices and alter the configuration so that faculty member would have more space at their desks. The institution responded that they have used all available space for faculty offices in the current building. The institution stated that, as the student body grows, there are plans to lease additional space in the adjacent buildings. Additional faculty workspace will be a planned part of that expansion. Likewise, the team recommended that the institution designate additional space for private conferences between a faculty member and a student. The Art Institute of Charlotte responded there is a small conference room on the first floor for such conferencing. In response to the team's recommendation, additional faculty conference space will be planned as part of the expansion. The team replied that the institution's response was satisfactory.

There were several recommendations regarding the library and access to informational resources. The team recommended that the Art Institute of Charlotte provide remote access for faculty and students to the institution's library collection. The institution responded that such a remote access website has been designed and will be in operation by June 2005. The team also recommended that the institution acquire specific library databases. The institution responded that it has acquired the free databases, and money will be allocated to purchase the other databases by January 2006. The team replied that the institution's responses to the library recommendations were satisfactory. The team also stipulated that the Office of the President should be informed when the recommended databases are acquired.

The team recommended that the institution extend library hours. The institution responded that they will add Sunday hours to accommodate the new bachelor's degree programs and monitor the library usage to ensure that the hours of operation are meeting the students' needs. The institution's responses were judged as satisfactory by the team.

The team of examiners delineated several recommendations regarding faculty qualifications. The team recommended that The Art Institute of Charlotte continue to employ faculty who, at the time of employment, hold the educational credentials required by the Rules and Standards. The institution replied that "since August 2002, all faculty employed by The Art Institute of Charlotte to teach in its degree programs hold the educational credentials required by the Rules and Standards. The Art Institute of Charlotte will continue this practice." Similarly, in recommendation 13, the team recommended that The Art Institute of Charlotte demonstrate to the Office of the President of The University of North Carolina that the credentials of new faculty members comply with the revised Rules and Standards, no later than three weeks after the term commences. The Art Institute of Charlotte responded that it will continue its practice of sending resumes of faculty to the Office of the President. The team was satisfied with the institution's responses.

In recommendation 15, the team recommended that The Art Institute of Charlotte examine its process for distributing faculty development funds to ensure that a reasonable cross-section of the faculty receive faculty development funds. The team further recommended that The Art Institute of Charlotte examine faculty needs for in-service training, particularly as it relates to instructional software. The Art Institute of Charlotte

responded that it has allocated \$22,500 for tuition reimbursement for FY 05. Moreover, the institution pays \$200 per-credit-hour for reimbursement for full-time faculty and \$100 for adjunct faculty who are taking courses. These funds have consumed a substantial portion of the professional development budget. The institution, however, has allocated about \$5,000 for professional dues for faculty. These funds allow full-time faculty to join professional organizations. As a result of the team's recommendation, the Art Institute of Charlotte will ask the academic directors to monitor the use of professional development funds to ensure that they are distributed equitably. This response satisfied the team.

So that prospective students would know the costs associated with pursuing degrees at The Art Institute of Charlotte, the team of examiners recommended that the institution include a schedule of tuition, fees and other charges in its catalog or attach a copy of the enrollment agreement document. The institution responded that the director of admission is aware that the enrollment agreement must be attached to each catalog. The team replied that "the Enrollment Agreement must be attached to the Catalog and not just referred to in the Catalog."

Regarding its online program, the team of examiners recommended that the Art Institute of Charlotte state information in its catalog describing the nature of faculty/student interaction, prerequisite technology, necessary competency and skills, and availability of academic support services to prospective students. The Art Institute of Charlotte furnished to the team the statement that is included in its catalog regarding online instruction, interaction with faculty, academic support, and technology requirements. The institution's response was satisfactory.

In its last recommendation, the team recommended that the Art Institute of Charlotte provide a statement by an independent certified public accountant specifying the existing principal amount of the tuition guaranty bond. The Art Institute of Charlotte sent the requested statement to the team and the Office of the President in its March 15th response.

The team concludes its report by stating that it recommends licensure of The Art Institute of Charlotte to offer the Bachelor of Arts degree in Culinary Management, Graphic Design, and Interactive Media Design, contingent on the institution following all recommendations. Additionally, the team stated that if these programs are authorized by the Board of Governors, a visit in one year is recommended to ensure that the recommendations have been followed and that the institution is in overall compliance with the fifteen licensure standards contained in the Rules and Standards.

The Office of the President agrees with the team's recommendations. Further, the Office of the President underscores the need for The Art Institute of Charlotte to insure that prospective students are furnished all costs related to pursuing study at The Art Institute of Charlotte early in the promotion and admissions stages. The institution is required to notify the Office of the President when it acquires the recommended databases for the library and when it modifies the electrical outlets, as recommended.

The Office of the President recommends licensure of the Bachelor of Arts degrees in Culinary Arts Management, Graphic Design, and Interactive Media Design at The Art Institute of Charlotte.



The University of North Carolina

OFFICE OF THE PRESIDENT

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

MICHELLE HOWARD-VITAL, Ph.D., *Associate Vice President for Academic Affairs*

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April 18, 2005

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at GreensboroUniversity of
North Carolina
at PembrokeUniversity of
North Carolina
at WilmingtonWestern Carolina
UniversityWinston-Salem
State UniversityAn Equal Opportunity/
Affirmative Action
Employer

MEMORANDUM

TO: Senior Vice President Gretchen M. Bataille

FROM: Michelle Howard-Vital, Ph.D. *mehm*

SUBJECT: Application for Bachelor of Arts degree in Graphic Design, Bachelor of Arts degree in Interactive Media Design, and Bachelor of Arts degree in Culinary Arts Management from The Art Institute of Charlotte

The Board of Governors of the University of North Carolina is charged under North Carolina General Statute Section 116-15 with responsibility for licensing, under such rules, regulations, and procedures as it shall establish, 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 November 12, 2004, approved the present revision in compliance with 1984 amendments to G.S. 116-15.

The revision was published under the same title Rules and Standards: Licensing Nonpublic Institutions to Conduct Post-Secondary Degree Activity in North Carolina. It combines into one document the licensing standards (prescribed by the statutes), the Board's guidelines for interpreting the standards, and the rules, regulations, and procedures under which the Board issues licenses to conduct post-secondary degree activity in North Carolina.

On November 5, 2004, The Art Institute of Charlotte submitted an application and supporting documentation to the Office of the President to offer three new Bachelor of Arts degree programs: Culinary Arts Management, Graphic Design, and Interactive Media Design.

Dr. Howard-Vital reviewed the application for the proposed degree programs and identified a team of examiners with expertise in the aforementioned areas. As is delineated in the Rules and Standards, The Art Institute of Charlotte was required to demonstrate that it would be in compliance with the standards for the proposed new degree programs and that it continues to be in compliance with the standards for all Board of Governors' previously licensed degree programs.

The Team of Examiners included Dr. Richard Neel (chair), Dean Emeritus, Belk College of Business Administration, and Professor of Economics Emeritus, The University of North Carolina at Charlotte; Dr. Glenn E. Lewis, Professor of Industrial Design, Department of Industrial Design, College of Design, North Carolina State University, Raleigh, North Carolina; Dr. Eric K. Patterson, Assistant Professor of Computer Science, Department of Computer Science, Mr. Charles J. Popovich, Head Librarian, Business Library, and Associate Professor, Ms. Sheila Tillman, Chairperson of Hospitality Education, Asheville-Buncombe Technical Community College; and Dr. Michelle Howard-Vital (ex-officio), Associate Vice President for Academic Affairs, The University of North Carolina.

On January 27-28, 2005, the Team of Examiners visited The Art Institute of Charlotte, in Charlotte, North Carolina. During the two-day visit, the Team of Examiners met with numerous faculty, staff, and students at The Art Institute of Charlotte. The Team of Examiners looked closely at areas covered in the 15 licensure Standards. These areas included educational facilities, academic curricula, course syllabi, the faculty handbook, the student Handbook, faculty credentials, library resources, budget data, student data, computer resources, the latest financial audit, promotional materials, and student housing.

During the visit and in the final report, the team of examiners commended The Art Institute of Charlotte for requiring an exit requirement of a student portfolio. The portfolio furnishes an opportunity for the student to demonstrate achievements from a program of study. From its review of the application and site visit, the team of examiners generated 18 recommendations and three suggestions for the institution.

On February 24, 2005, the team of examiners submitted its Preliminary Report on The Art Institute of Charlotte to the Office of the President. The Preliminary Report was transmitted to The Art Institute of Charlotte for corrections of fact and errors of omission. On March 15, 2005, The Art Institute responded to the recommendations and suggestions contained in the team's final report. On April 8th the team reviewed the institutions responses, concluded that the responses were satisfactory, and replied with one new recommendation regarding computers for full-time faculty. The Art Institute of Charlotte agreed to the new recommendation shortly thereafter.

Even though The Art Institute of Charlotte is the sole occupant of a two-story, recently renovated 54,000 square foot building, several of the team's recommendations involve space and parking spaces. The team, for example, recommended that the institution provide more computer space and work space for students in the form of an open lab. The Art Institute of Charlotte responded that it has a dedicated open lab with sixteen new computers. Moreover, the institution maintained that there were sufficient open lab hours in other computer rooms for the 715 students enrolled. Because the availability of open labs might not be communicated well to students, the institution affirmed that communication to students regarding open labs would be enhanced. The team accepted the institution's response but indicated that as enrollment increases additional computing resources might be needed.

Similarly, the team of examiners recommended that The Art Institute of Charlotte furnish more computing resources for its faculty. The institution responded that for 21 full-time faculty and 33 adjunct faculty, there were 17 computers, and it adheres to a three-year replacement policy. The Art Institute of Charlotte stated that it will place computers on the desks of full-time faculty members who teach in technology-focused degree programs. Two cubicles will be placed in the faculty room with computers. The team replied that the institution's response was partially satisfactory. The team affirmed that all faculty should be furnished computers, and a pool of computers should be available for part-time faculty. Further, the team recommended that The Art Institute of Charlotte provide current computers for all full-time faculty and that those computers be equipped with current software. The institution agreed.

There were several recommendations regarding the library and access to information resources. The team recommended that the Art Institute of Charlotte provide remote access for faculty and students to the institution's library collection. The institution responded that such a remote access website has been designed and will be in operation by June 2005. The team also recommended that the institution acquire specific library databases. The institution responded that it has acquired the free databases, and money will be allocated to purchase the other databases by January 2006. The team replied that the institution's responses to the library recommendations were satisfactory. The team also stipulated that the Office of the President should be informed when the recommended databases are acquired.

The team recommended that the institution extend library hours. The institution responded that they will add Sunday hours to accommodate the new bachelor's degree programs and monitor the library usage to ensure that the hours of operation are meeting the students' needs. The institution's responses were judged as satisfactory by the team.

The team of examiners delineated several recommendations regarding faculty qualifications. The team recommended that The Art Institute of Charlotte continue to employ faculty who, at the time of employment, hold the educational credentials required by the Rules and Standards. The institution replied that "since August 2002, all faculty employed by The Art Institute of Charlotte to teach in its degree programs hold the educational credentials required by the Rules and Standards. The Art Institute of Charlotte will continue this practice." Similarly, in recommendation 13, the team recommended that The Art Institute of Charlotte demonstrate to the Office of the President of The University of North Carolina that the credentials of new faculty members comply with the revised Rules and Standards, no later than three weeks after the term commences. The Art Institute of Charlotte responded that it will continue its practice of sending resumes of faculty to the Office of the President. The team was satisfied with the institution's responses.

The team also recommended that The Art Institute of Charlotte examine its process for distributing faculty development funds to ensure that a reasonable cross-section of the faculty receive faculty development funds. The team further recommended that The Art Institute of Charlotte examine faculty needs for in-service training, particularly as it relates to instructional software. The Art Institute of Charlotte responded that it has

allocated \$22,500 for tuition reimbursement for FY 05. Moreover, the institution pays \$200 per-credit-hour for reimbursement for full-time faculty and \$100 for adjunct faculty who are taking courses. As a result of the team's recommendation, the Art Institute of Charlotte will ask the academic directors to monitor the use of professional development funds to ensure that they are distributed equitably. The team was satisfied with this response.

So that prospective students would know the costs associated with pursuing degrees at The Art Institute of Charlotte, the team of examiners recommended that the institution include a schedule of tuition, fees and other charges in its catalog or attach a copy of the enrollment agreement document. The institution responded that the director of admission is aware that the enrollment agreement must be attached to each catalog. The team replied that "the Enrollment Agreement must be attached to the Catalog and not just referred to in the Catalog."

In its last recommendation, the team recommended that The Art Institute of Charlotte provide a statement by an independent certified public accountant specifying the existing principal amount of the tuition guaranty bond. The Art Institute of Charlotte sent the requested statement to the team and the Office of the President in its March 15th response. The Rules and Standards of the UNC Board require that the team of examiners, in addition to its report of findings and recommendations, submit a final recommendation. The final recommendation must be one of the following: 1) That the institution be issued a license, 2) That the institution be issued a licensed subject to completion of specific conditions, or 3) That the institution be denied licensure.

The team concludes its report by recommending licensure of The Art Institute of Charlotte to offer the Bachelor of Arts degree in Culinary Management, Graphic Design, and Interactive Media Design, contingent on the institution following all recommendations contained in the report. Additionally, the team stated that if these programs are authorized by the Board of Governors, a visit in one year is recommended to ensure that the recommendations have been followed and that the institution is in overall compliance with the fifteen licensure standards contained in the Rules and Standards.

The Office of the President agrees with the team's recommendations. Further, the Office of the President underscores the need for The Art Institute of Charlotte to insure that prospective students are furnished all costs related to pursuing study at The Art Institute of Charlotte early in the promotion and admissions stages. The institution is required to notify the Office of the President when it acquires the recommended databases for the library and when it modifies the electrical outlets, as recommended.

Staff further proposes that the President recommend to the Committee on Educational Planning, Policies, and Programs of the UNC Board of Governors that a regular license be issued to The Art Institute of Charlotte to offer the Bachelor of Arts degree in subject to annual reports and the review schedule outlined in the Rules and Standards.

For more details on the recommendations and the responses for the degree programs, please review the enclosed Summary.

Enclosure: Summary

April 15, 2005

Summary of Visit of Team of Examiners for The Art Institute of Charlotte

Background

The Art Institute of Charlotte, formerly known as The American Business and Fashion Institute, was granted Articles of Incorporation in the State of North Carolina on November 22, 1972. It has been in continuous operation since that time. Ownership changed in August, 1999 when The Art Institutes International, Inc. acquired The American Business and Fashion Institute and changed its name to The Art Institute of Charlotte.

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Application and Site Visit

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Institute of Charlotte including the president, dean of academic affairs, director of human resources, dean of student affairs, director of administrative and financial services, director of admissions, director of library services, director of public relations, academic director of culinary arts, academic director of graphic design, the academic director of interactive media design, faculty, and students.

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So that prospective students would know the costs associated with pursuing degrees at The Art Institute of Charlotte, the team of examiners recommended that the institution include a schedule of tuition, fees and other charges in its catalog or attach a copy of the enrollment agreement document. The institution responded that the director of admission is aware that the enrollment agreement must be attached to each catalog. The team replied that "the Enrollment Agreement must be attached to the Catalog and not just referred to in the Catalog."

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In its last recommendation, the team recommended that the Art Institute of Charlotte provide a statement by an independent certified public accountant specifying the existing principal amount of the tuition guaranty bond. The Art Institute of Charlotte sent the requested statement to the team and the Office of the President in its March 15th response.

The team concludes its report by stating that it recommends licensure of The Art Institute of Charlotte to offer the Bachelor of Arts degree in Culinary Management, Graphic Design, and Interactive Media Design, contingent on the institution following all recommendations. Additionally, the team stated that if these programs are authorized by the Board of Governors, a visit in one year is recommended to ensure that the recommendations have been followed and that the institution is in overall compliance with the fifteen licensure standards contained in the Rules and Standards.

The Office of the President agrees with the team's recommendations. Further, the Office of the President underscores the need for The Art Institute of Charlotte to insure that prospective students are furnished all costs related to pursuing study at The Art Institute of Charlotte early in the promotion and admissions stages. The institution is required to notify the Office of the President when it acquires the recommended databases for the library and when it modifies the electrical outlets, as recommended.

The Office of the President recommends licensure of the Bachelor of Arts degrees in Culinary Arts Management, Graphic Design, and Interactive Media Design at The Art Institute of Charlotte.

The University of North Carolina

OFFICE OF THE PRESIDENT

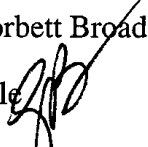
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GRETCHEN M. BATAILLE, *Senior Vice President for Academic Affairs*Telephone: (919) 962-4614 • Fax: (919) 843-6843 • E-mail: bataille@northcarolina.edu

April 18, 2005

MEMORANDUM

TO: President Molly Corbett Broad

FROM: Gretchen M. Bataille 

SUBJECT: Licensure of The Art Institute of Charlotte to offer the Bachelor of Arts in Graphic Design, Bachelor of Arts in Interactive Media Design, and Bachelor of Arts in Culinary Arts Management degrees in Charlotte 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 November 12, 2004, approved the present revision in compliance with 1984 amendments to G.S. 116-15.

Ms. Elizabeth Guinan, President, applied on behalf of The Art Institute of Charlotte (hereby referred to as "the institution") for licensure to conduct the following degree programs:

Bachelor of Arts in Graphic Design
 Bachelor of Arts in Interactive Media Design
 Bachelor of Arts in Culinary Arts Management

On November 5, 2004, the Office of the President received an application and updated materials for the aforementioned degree programs. Dr. Howard-Vital reviewed the application and supplementary materials and appointed a Team of Examiners to evaluate the materials and to conduct the site visit to The Art Institute of Charlotte 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 2004).

A Team of Examiners visited The Art Institute of Charlotte on January 27-28, 2005. Dr. Howard-Vital requested that the Team of Examiners review the proposed new baccalaureate degree programs to determine compliance with licensure standards.



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 School of the Arts

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

Western Carolina University

Winston-Salem State University

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Employer

During the visit, the team met with numerous administrative staff, instructional staff, and students. A Preliminary Report was forwarded to the Office of the President by the chair of the Team of Examiners on February 24, 2005. The preliminary report was sent to The Art Institute of Charlotte to review for errors of fact or omissions by Dr. Howard-Vital shortly thereafter. On March 15, 2005, The Art Institute responded to the recommendations and suggestions contained in the final report. The team replied to the institution's responses on April 8, 2005.

The Rules and Standards of the UNC Board require that the Team of Examiners, in addition to its report of findings and recommendations, submit a final recommendation. The final recommendation must be one of the following:

- (1) That the institution be issued a license,
- (2) That the institution be issued a license
subject to completion of specific
conditions, or
- (3) That the institution be denied licensure.

The Team of Examiners recommended the second option for The Art Institute of Charlotte.

Staff concurs with the Team's analysis and recommends that The Art Institute of Charlotte be licensed to offer the degrees indicated. Staff also has informed The Art Institute of Charlotte to work to come into compliance with the 2004 revisions of the Rules and Standards by November 2006.

Staff further proposes that you recommend to the Committee on Educational Planning, Policies, and Programs of the UNC Board of Governors that a regular license be issued to the institution to offer the Bachelor of Arts degree in Graphic Design, Bachelor of Arts degree in Interactive Media Design, and Bachelor of Arts degree in Culinary Arts Management subject to annual reports and the review schedule outlined in the Rules and Standards.

Enclosure: Summary

April 15, 2005

Summary of Visit of Team of Examiners for The Art Institute of Charlotte

Background

The Art Institute of Charlotte, formerly known as The American Business and Fashion Institute, was granted Articles of Incorporation in the State of North Carolina on November 22, 1972. It has been in continuous operation since that time. Ownership changed in August, 1999 when The Art Institutes International, Inc. acquired The American Business and Fashion Institute and changed its name to The Art Institute of Charlotte.

The Art Institute of Charlotte (AiCH) is a wholly owned subsidiary of The Art Institutes International, Inc., which is a wholly owned subsidiary of Education Management Corporation (EDMC), based at 210 Sixth Avenue, Pittsburgh, Pennsylvania 15222. The Art Institutes International, Inc. system represents the main operating unit of Education Management Corporation. EDMC has 70 primary campus locations in 24 states and two Canadian provinces. Student enrollment exceeded 66,000 at EDMC campuses, as of fall 2004. EDMC education institutions offer academic programs concentrated in the media arts, design, fashion, culinary arts, behavioral sciences, health sciences, education, information technology and business fields, culminating in the award of associate's through doctoral degrees. EDMC has provided career-oriented education for over 40 years.

The Board of Governors has approved licensure for The Art Institute of Charlotte to offer the associate of applied science degrees in culinary arts, fashion marketing, graphic design, interior design, and interactive media design (formerly titled multimedia and web design). Additionally, the Board of Governors has approved licensure for the Bachelor of Arts degree in fashion marketing and management and interior design.

The Art Institute of Charlotte is accredited by the Accrediting Council for Independent Colleges and Schools (ACICS). The Accrediting Council is a non-profit education corporation that is recognized by the United States Secretary of Education as an independent and autonomous national accrediting body that accredits institutions of higher education offering programs of study through the master's degree level. The scope of ACICS recognition by the Secretary is defined as accreditation of private post secondary institutions offering programs that are designed to train and educate persons for careers or professions where business applications or doctrines, supervisory or management techniques, professional or paraprofessional applications, and other business-related applications support or constitute the career.

Application and Site Visit

On November 5, 2004, The Art Institute of Charlotte submitted an application and supporting documentation to the Office of the President to offer three new Bachelor of

Arts degree programs: Culinary Arts Management, Graphic Design, and Interactive Media Design.

The goal of the proposed bachelor's degree program in graphic design is to help students develop creative conceptual thinking and to produce advanced applications of design solutions. Students are provided with intensive training in problem-solving, group dynamics, and state of the industry technology. The Art Institute of Charlotte expects that graduates of this program will possess the confidence and skills necessary to compete, manage, and lead in a wide variety of creative environments involving print and digital media. The proposed degree program in Interactive Media Design is a user-centered design program. Program outcomes focus on creativity, design strategy, and technology solutions across media platforms. Students are expected to be competent in interface design, interactivity, visual design, database design, dynamic content design, technology, and information design. Graduates are expected to find employment in the interactive design field. The goal of the Bachelor of Arts degree in culinary arts management is to provide a foundation for the graduate to advance in the culinary arts field or attain an entry-level management position in the food service industry. The institution states that curriculum review is an ongoing process at both the classroom and program levels.

Dr. Howard-Vital reviewed the application for the proposed degree programs and constructed a team of examiners with expertise in the aforementioned areas. As is delineated in the Rules and Standards, The Art Institute of Charlotte was required to demonstrate that it would be in compliance with the standards for the proposed new degree programs and that it continues to be in compliance with the standards for all Board of Governors' previously licensed degree programs.

The Team of Examiners included Dr. Richard Neel (chair), Dean Emeritus, Belk College of Business Administration, and Professor of Economics Emeritus, The University of North Carolina at Charlotte; Dr. Glenn E. Lewis, Professor of Industrial Design, Department of Industrial Design, College of Design, North Carolina State University, Raleigh, North Carolina; Dr. Eric K. Patterson, Assistant Professor of Computer Science, Department of Computer Science, Mr. Charles J. Popovich, Head Librarian, Business Library, and Associate Professor, Ms. Sheila Tillman, Chairperson of Hospitality Education, Asheville-Buncombe Technical Community College; and Dr. Michelle Howard-Vital (ex-officio), Associate Vice President for Academic Affairs, The University of North Carolina.

On January 27-28, 2005, the Team of Examiners visited The Art Institute of Charlotte, at its facilities in the LakePointe Office Park on Tyvola Road at Three Lake Pointe Plaza in Charlotte, North Carolina. During the two-day visit, the Team of Examiners met with numerous faculty, staff, and students at The Art Institute of Charlotte. The Team of Examiners looked closely at areas covered in the 15 licensure Standards. These areas included educational facilities, academic curricula, course syllabi, the faculty handbook, the student Handbook, faculty credentials, library resources, budget data, student data, computer resources, the latest financial audit, promotional materials, and student housing. During the visit, the team met with numerous representatives of The Art

Institute of Charlotte including the president, dean of academic affairs, director of human resources, dean of student affairs, director of administrative and financial services, director of admissions, director of library services, director of public relations, academic director of culinary arts, academic director of graphic design, the academic director of interactive media design, faculty, and students.

During the visit and in the final report, the team of examiners commended The Art Institute of Charlotte for requiring an exit requirement of a student portfolio. The portfolio furnishes an opportunity for the student to demonstrate achievements from a program of study. From its review of the application and site visit, the team of examiners generated 18 recommendations and three suggestions for the institution.

On February 24, 2005, the team of examiners submitted its Preliminary Report on The Art Institute of Charlotte to the Office of the President and the Team chair. The Preliminary Report was transmitted to The Art Institute of Charlotte for corrections of fact and errors of omission. On March 15, 2005, the Art Institute of Charlotte responded to the recommendations and suggestions contained in the team's final report. The team forwarded its reply to the institution's responses on April 8, 2005.

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