

SHEEO State Authorization Inventory

North Carolina

Please note: For purposes of this survey, the terms “authorize” and “authorization” are used generically to include approve, certify, license, regulate, recognize, empower, or similar actions relative to the operation, provision, or availability of postsecondary education in your state.

1. Agency and Contact Information

- a. Agency Name: **The University of North Carolina Board of Governors**
- Description:
The University of North Carolina Board of Governors functions as the agency for licensing (or ruling exempt from licensure) all nonpublic or out-of-state degree granting (associate’s degree and higher) institutions that conduct post-secondary degree activity and have a physical presence in North Carolina. The UNC Board of Governors has delegated responsibility for implementing and operating the licensure process to the University of North Carolina General Administration.
 - Contact Information:
Maggie Ryan
Assistant Director of Licensure and Workforce Studies
The University of North Carolina General Administration
919-962-4558
mryan@northcarolina.edu
 - Please state who institutions should contact if they have questions about your agency’s authority, policies, or application process?
Same as above.
- b. Links:
- Link to home page:
http://www.northcarolina.edu/aa_planning/licensure/index.htm
- Link to Regulations:
http://www.northcarolina.edu/aa_planning/licensure/Rules_Standards_Master_Updated_1-08.pdf
- c. The following agency also has responsibility for authorization in the state and was requested to complete a survey.
North Carolina Community College System, Office of Proprietary Schools.

- d. If the division of responsibility among these agencies is not clear, please explain. The University of North Carolina Board of Governors functions as the agency for licensing all nonpublic or out-of-state degree granting institutions in North Carolina, while the North Carolina Community College System office has been functioning as the agency for licensing all nonpublic or out-of-state non-degree granting institutions (diploma and certificate programs).

2. Types of Educational Providers Authorized

- a. Please indicate the types of institutions that your agency authorizes, using the list below. Please answer “yes” or “no” to each item. Feel free to provide a short explanation of any ambiguity, including any necessary clarification of “in-state,” “out of state,” or other terminology.

- No Public, in-state degree granting institutions
- Yes Public, out-of-state degree granting institutions
- Yes Private, in-state, not-for-profit degree granting institutions
- Yes Private, out-of-state, not-for-profit degree granting institutions
- Yes Private, in-state, for-profit degree granting institutions
- Yes Private, out-of-state, for-profit degree granting institutions
- No Public, in-state, non-degree granting institutions
- No Public, out-of-state, non-degree granting institutions
- No Non degree, not-for profit institutions
- No Non degree, for-profit institutions
- No Religious institutions
- No Tribally-controlled institutions

Clarifying comments:

Public, in-state degree granting institutions: The General Assembly has established and authorized the University of North Carolina, with its seventeen constituent institutions, and the North Carolina Community College System.

Religious institutions: See 3.c. below on exemption for religious institutions.

- b. Is an institution required to obtain approval from more than one agency to be authorized in your state (excluding purely programmatic approvals)? If so, please explain.

As delineated in item 1.d. above, in North Carolina an institution must obtain appropriate authorization for the specific type(s) of programs offered. Also, nonpublic or out-of-state institutions may be required to be authorized by the Secretary of State of North Carolina to conduct business in the state.

- c. Is accreditation required for an institution to be authorized in your state?
No.

- If yes, please explain:
- If yes, what type of accreditation is required? Please, check all that apply as appropriate.

Regional
 National
 Programmatic/specialized

Clarifying comments:

- d. Does your agency authorize specific academic programs offered by institutions or only institutions themselves?

The UNC Board of Governors authorizes specific post-secondary degree granting programs offered by institutions; each post-secondary degree granting program offered in North Carolina must be appropriately authorized.

- e. Do programs in certain subject areas require the separate approval by another state entity; for example, a professional licensing agency?

Education

North Carolina Department of Public Instruction
 Licensure Section
 919-807-3310
 This is for programs leading to initial licensure

Nursing

North Carolina Board of Nursing
 Director of Education & Practice
 919-782-3211 ext. 245

Allied Health Professions and related programs

North Carolina Board of Massage & Bodywork Therapy
 919-546-0050

Others [please list]

Cosmetology
 North Carolina Board of Cosmetic Art Examiners
 919-733-4117

3. Exemptions

- a. Are certain institutions or programs exempt by law or policy from your state authorization requirements?

Yes.

- If yes, please describe which institutions or programs the exemption applies to and how it works? If available, please provide any pertinent web links.

Any institution that has been continuously conducting post-secondary degree activity in North Carolina under the same publicly registered name or series of publicly registered names since July 1, 1972 shall be exempt from the provisions for licensure upon presentation to the Board of Governors of information acceptable to the Board to substantiate such post-secondary degree activity and public registration of the institution's names. Any institution that, pursuant to a predecessor statute, had presented to the Board proof of activity and registration such that the Board granted exemption from licensure, shall continue to enjoy such exemption without further action by the Board. [G.S. 116-15(c)]

Also, when an institution undertakes post-secondary degree activity on the premises of military posts or reservations located in North Carolina for military personnel stationed on active duty there, or their dependents, or employees of the military, the institution shall be exempt from licensure requirements. [G.S. 116-15(e)] If the institution offers or conducts post-secondary degree activity for other persons, the institution shall be subject to licensure. Institutions seeking a military exemption should send written correspondence to General Administration identifying the military base and the degrees that will be offered.

- If yes, how does the institution or program claim an exemption? For example, is the exemption automatic as long as it meets specified criteria, does the institution or program notify the agency and the exemption is granted, is there an application process, etc.?

See response immediately above.

- b. If an institution or program is exempt from state authorization, are there any other state requirements that an institution would need to fulfill in order to operate in your state (e.g., providing contact information, list of programs, etc.)?

The UNC Board of Governors does not require any other action. However, the state of North Carolina may require additional registration of the business entity depending upon the institution seeking exemption.

- c. Does your state constitution or do your state laws provide any exemptions for religious institutions?

Yes.

- Are all religious institutions exempt (please describe)?

No.

- Are religious institutions that award only religious degrees or certificates exempt (please describe)?
 Yes. No institution shall be subject to licensure with respect to post-secondary degree activity based upon a program of study, equivalent experience, or achievement testing, the institutionally planned objective of which is the attainment of a degree in theology, divinity, or religious education or in any other program of study, equivalent experience, or achievement testing that is designed by the institution primarily for career preparation in a religious vocation. This exemption shall be extended to any institution with respect to each program of study, equivalent experience, and achievement test that the institution demonstrates to the satisfaction of the Board should be exempt from licensure requirements. [G.S. 116-15(d)] Institutions seeking a religious exemption shall complete the application for religious exemption and follow directions contained therein.

 Information on applying for religious exemption may be found at: http://www.northcarolina.edu/aa_planning/licensure/resources.htm
- Are certain religious institutions exempt that meet other criteria (please describe)?
 No.

4. Authorization of Distance Education

- a. Does your agency require purely (100%) distance education programs, including online or correspondence study programs that enroll residents of your state, to be authorized without regard to physical presence?
 No, physical presence (as described below) is the trigger which determines whether a 100% distance education program, including online and correspondence study programs, needs to be licensed in North Carolina.
- b. If not, does your agency determine whether an institution must be authorized based on a physical presence or “operating” standard?
 Yes, physical presence (as described below) is the trigger which determines whether a 100% distance education program, including online and correspondence study programs, needs to be licensed in North Carolina.

5. Physical Presence Policy – Common “Triggers”

- a. If your agency uses a physical presence standard, how does your agency define physical presence? If available, please provide a link to that policy or a citation to the relevant regulation giving that standard.
 An institution undertakes post-secondary degree activity in North Carolina when it commences the activity by:

1. Use of employees or agents within North Carolina; or
2. Transmission, presentation, or dissemination of information over or through electronic equipment that is located in North Carolina and owned, leased, rented, licensed, or otherwise reserved for use by the institution; or
3. Use of real property or facilities that are located in North Carolina and owned, leased, rented, licensed, or otherwise reserved for use by the institution; or
4. Agreement with a third party to transmit, present, or disseminate information on behalf of the institution through any of the means described in a, b, or c, above.

See page 2 of the Rules and Standards for the complete definition of “post-secondary degree activity”:

http://www.northcarolina.edu/aa_planning/licensure/Rules_Standards_Master_Updated_1-08.pdf

- b. Please specify whether any of the following activities would constitute a physical presence or signify “operating” in your state, assuming that the named activity is the institution’s sole activity in your state. **Please answer “yes” or “no” to each question. In addition you may provide a short explanation of any ambiguity.**
- Permitting a student to complete an internship, externship, field experience, or clinical practicum organized by the institution?
Internship – No
Externship - No
Field Experience - Yes
Clinical Practicum – Yes
Student Teaching – Yes
 - Does this apply only to distance education students or more generally?
It applies generally.
 - Permitting a student to complete an internship, externship, field experience, or clinical practicum found by the student acting independently?
Internship – No
Externship - No
Field Experience - Yes
Clinical Practicum – Yes
Student Teaching – Yes
 - Does this apply only to distance education students or more generally?
It applies generally.
 - Employing full-time faculty in the state to provide instruction via distance education programs to students in the state?
No.

- What about adjunct faculty?
No.
- Employing full-time faculty in the state to provide instruction via distance education programs solely to students outside of the state?
No.
- What about adjunct faculty?
No.
- Having a contract/agreement between the institution and in-state institutions or in-state entities to provide services for students (i.e. library, gym, computer centers, etc.)?
Yes.
- Organized, consistent, on-the-ground recruiting of students in the state by employees or agents of the institution?
Yes.
 - What if the agent is only recruiting students in the state on an occasional basis (i.e. at job fairs)?
No.
- Advertising in local media sources that are largely viewed by residents of the state?
No.
- Advertising in national media sources that can be accessed by residents of the state?
No.
- Having computer servers or other equipment located in the state?
Yes.
- Hosting short term, face-to-face, seminars or conferences in the state where students meet in person?
Yes, if this activity is a component of a post-secondary credit-bearing course or program.
- Employing mentors, tutors, or preceptors in the state to aid students, who are residents of the state, on an individual basis?
Yes.
- Requiring a student to take a proctored exam at a location or with an entity in the state prescribed by the institution?
No.

- Requiring a student to take a proctored exam with an entity in the state chosen by the student but approved by the institution?
No.
 - Other [please explain]
Unsolicited telephone recruiting calls constitute a physical presence trigger.
- c. Of the activities or conditions listed above that alone would not constitute a physical presence, are there any that if combined would create a physical presence?
No.

6. Application Process

- a. Please provide a short description of the application process to obtain state authorization. If available, please provide web links to the specific references to all applicable state laws, regulations, manuals, forms, or other pertinent documents.

Link to Regulations that contain all pertinent information and documents:
http://www.northcarolina.edu/aa_planning/licensure/Rules_Standards_Master_Updated_1-08.pdf

The institution must submit an application that describes and also contains documentation on how the institution, and each of the requested programs, meets the requirements of each the fifteen licensure standards. A team of examiners, mainly comprised of subject matter experts in the requested course/program areas, reviews the application and performs a site visit to the home institution to verify compliance with the fifteen standards. The team submits a written report to the institution on its findings, which may include Recommendations (findings of non-compliance) and Suggestions for improvement. The applicant institution must respond in writing to the Recommendations and Suggestions in the report. After review of the institution's response, the team of examiners makes a recommendation to the UNC General Administration on whether the applicant institution and requested programs satisfactorily meet licensure requirements. If the team of examiners and UNC General Administration agree that the application meets licensure requirements, the application is submitted to the UNC Board of Governors for consideration.

It is best to initiate the application process with a telephone call to the Assistant Director for Licensure and Workforce Studies (919-962-4558) in which the details and expectations of the licensure process will be discussed. Applications are accepted and reviewed throughout the year on a rolling basis as they are received.

- b. Generally, how long does it take to approve applications (assuming that the agency has received all required information from the institution)? Please provide a typical range if appropriate.

Approximately 12 months.

- c. What is the authorization duration?

The authorization is ongoing, contingent upon the institution submitting appropriate annual reports, submitting annual licensure fees for existing programs, and continuing to maintain compliance with all licensure standards, as verified in follow-up site visits to the North Carolina location(s).

- d. What does an institution need to do to maintain authorization?

Submit appropriate annual reports, submit annual licensure fees for existing programs, and continue to maintain compliance with all licensure standards, as verified in follow-up site visits to the North Carolina location(s).

- e. What kinds of information or data must an institution report to your agency as a condition for continued authorization? How frequently is this reported or updated? Is this information published or shared publicly?

In Annual Reports submitted each summer, the institution is asked to report for each licensed degree program: enrollment data and number of degrees awarded; student retention, graduation, and employment rates; faculty educational credentials for each course taught the previous year; Financial Statement audited by an independent certified public accountant for the most recent fiscal year; statement by an independent certified public accountant regarding the tuition guaranty bond; photocopy of the tuition guaranty bond for the next year; plans and processes for continuing to improve student retention, graduation, and employment rates; and information on any current or pending litigation or regulatory matters that relate to the institution or to a controlling or related entity or individual.

While this information is not published or shared publicly, all records collected by UNC General Administration are subject to the North Carolina Public Records Law [North Carolina General Statutes Chapter 132].

- f. Can an institution lose its authorized status? If so, how?

Any institution that acquires licensure shall be subject at any time to review by the Board of Governors to determine whether the institution continues to meet standards for licensure. Any institution holding a license to conduct post-secondary degree activity in North Carolina that is found by the Board of Governors not to satisfy these licensure requirements shall have its license to conduct post-secondary degree activity revoked by the Board. (Also, see response to 6.d. above.)

- g. Can a multi-institutional system or college corporation apply to your agency for authorization on behalf of all of its component institutions? If so, please describe the process.
No. An individual application must be submitted by each institution requesting authorization to offer specific degree programs in North Carolina.
- h. Would multi-institution public systems be treated the same as multi-location for-profit institutions?
Yes. See response to 6.g. above.
- i. What distinctive features in your authorization process would be useful for applicants to know (e.g., certain times during the year that you process applications for authorization, sharing of applications or information about proposed programs with institutions or other stakeholders in your state for comment)?
See response to 6.a. above for a description of and information about North Carolina's licensure process.
- j. Is your agency currently planning to amend its application process by the end of 2011?
No.
- If yes, please provide a brief description of the anticipated change.
 - If yes, when does the agency expect the change to be fully implemented?

7. Fees Associated with Authorization

- a. Is there an application fee to initiate the authorization process? If so, what is the fee or fee schedule? Please provide a web link if available.
Yes. Initial fee of \$5,000 includes up to four degree programs at the associate's or bachelor's level or two degree programs at the master's level or one degree program at the doctoral or first professional level if reviewed at the time of initial application. Additional fees per degree programs may be applied.
- See page 36 of the Rules and Standards for the complete fee schedule:**
http://www.northcarolina.edu/aa_planning/licensure/Rules_Standards_Master_Updated_1-08.pdf
- b. Are there any other costs associated with the state authorization process (e.g. site visits, hiring a reviewer, surety bond, tuition recovery fund, agent licensing, etc.)?
Yes. The applicant institution pays all travel costs for the site visit of the team of examiners, honoraria for the team of examiners, and the cost of obtaining an appropriate tuition guaranty bond.

See page 36 of the Rules and Standards for the complete fee schedule:
http://www.northcarolina.edu/aa_planning/licensure/Rules_Standards_Master_Updated_1-08.pdf

- c. What are the costs, if any, to renew authorization?
Annual licensure fees are assessed for existing programs.

See page 36 of the Rules and Standards for the complete fee schedule:
http://www.northcarolina.edu/aa_planning/licensure/Rules_Standards_Master_Updated_1-08.pdf

- d. What costs are associated with receiving a waiver or exemption to authorization?
None.

8. Interstate Reciprocity

- a. Do your state regulations explicitly allow or prohibit interstate reciprocal agreements about authorization? If so, please describe.
North Carolina participates in the Southern Regional Education Board (SREB) Electronic Campus program. See the following SREB website for details of the Electronic Campus program: <http://www.electroniccampus.org/>
- b. What is the process, if any, to obtain a reciprocal agreement with your state?
Currently there is no process to obtain a reciprocal agreement with North Carolina.
- c. Are there any reciprocal agreements currently in place or under consideration? If so, please list those agreements.
See response to 8.a. above.
- d. If interstate reciprocal agreements are not addressed in your regulations, would your agency consider establishing such agreements? Please elaborate.
Yes. See response to 8.a. and 8.b. above.

9. Consumer Protection and Student Complaints

- a. Does your agency have a process for handling complaints about postsecondary institutions or programs?
Yes.
- If yes, please describe the process or provide a web link to the material that describes the complaint process.
If the complaint cannot be resolved after exhausting the institution's grievance procedure, the individual may file a complaint with the

following office: Post-Secondary Education Complaints, c/o Assistant Director of Licensure and Workforce Studies, University of North Carolina General Administration. 910 Raleigh Road, Chapel Hill, NC 27514, telephone (919) 962-4558, studentcomplaint@northcarolina.edu. The individual may contact UNC General Administration for further details.

- If yes, does this complaint process extend to institutions not authorized by the agency that may enroll residents of the state (such as explicitly distance education programs with no physical presence or exempt institutions)?
While the process is intended for authorized institutions, if a complaint is received concerning an institution not authorized by the UNC Board of Governors, the complaint will be forwarded to the appropriate authority.
 - If available, please provide a web link to the complaint form.
See above for the complaint submission procedure.
 - Who is the contact person for receiving complaints? Please include name, title, address, phone, and email if available.
See above for all contact information.
- b. If your agency has no formal process for handling complaints related to postsecondary institutions, what state agency would handle a complaint?
Not applicable.

10. Enforcement

- a. If your agency finds that an institution or program is operating in your state without authorization, what is the resulting warning or enforcement action?
A warning letter is sent to the institution stating that the institution is in violation of North Carolina General Statutes Section 116-15 and the Rules and Standards on licensure promulgated by the University of North Carolina Board of Governors. The institution is instructed, effective immediately, to cease enrollment of any additional North Carolina students in the unauthorized degree programs and informed that enrollment may resume only if the programs become finally licensed by the UNC Board of Governors. The institution is also instructed to submit, by a specified date, complete applications for all unlicensed programs offered in North Carolina. If the institution does not appropriately respond, the issue is referred to the North Carolina Attorney General.
- b. Can an institution or program appeal a warning or enforcement action? If yes, please describe the process or provide web links to the regulations/policies.
An institution may dispute whether licensure of a given program is required.

11. Legislative or Regulatory Changes

- a. Is your agency or state legislature planning to amend its regulations or alter its physical presence policy by the end of 2011?

No.

- If yes, please provide a brief description of the anticipated change.
- If yes, when does the agency expect the change to be fully implemented?

- b. Is your agency or state legislature making changes in your state regulations or statutes so that institutions with locations in your state would be considered legally authorized in accordance with the federal institutional eligibility regulations?

No.

- If yes, please provide a brief description of the anticipated change.
- If yes, when does the agency expect the change to be fully implemented?

- c. Is your agency or state legislature making any other changes in your state regulations or statutes with regard to state authorization?

No.

- If yes, please provide a brief description of the anticipated change.
- If yes, when does the agency expect the change to be fully implemented?

12. Is there anything else about the authorization process in your state that we and others ought to know about?