

**LICENSING TEAM REPORT
PORT COLLEGE, CHARLESTON, SC
AUGUST 17, 2007**

Introduction

On March 12, 2007, the South Carolina Commission on Higher Education received an Application for Initial License and limited supporting materials from officials of Port College in Charleston, South Carolina. The licensing staff reviewed the proposal and on March 22, 2007, provided to the officials of the institution comments on each exhibit required for an application. On June 29, 2007, the Commission received an updated version of the application materials. Following an initial examination of all materials by Renea Eshleman, Coordinator, Nonpublic Postsecondary Institution Licensing, she sent an e-mail to the College requesting clarification of several questions. A written response to those questions was received by the Commission on the afternoon of July 9, 2007. By the afternoon of July 11, Ms. Eshleman had identified all members of a licensing team with the exception of a librarian and notified them that she would be sending them the application and supporting materials. While specific writing assignments were given, it was requested that all team members review the full set of materials for completeness and consistency. The copies of the application and materials were received by most team members on or about July 16.

The proposal is to offer programs leading to the following degrees:

B.A., Psychology
B.A., Public Administration
B.S., Computer Science
B.S., Management

The team members who examined the application and materials are:

Mr. Alan S. Krech (Chair); retired CHE staff member

Dr. Charles Love, Dean, School of Education; University of South Carolina

Upstate

Dr. Michael Raley, Program Manager; Commission on Higher Education

Mr. John Smalls, Senior Vice President, Finance, Facilities, and MIS; South Carolina State University

Dr. Martha C. Spears, Associate Dean, College of Business Administration; Winthrop University

After each team member had conducted an initial examination of the material, there was unanimous agreement that it be recommended that the institution withdraw its application for initial licensure and abandon its efforts to establish a new college. This recommendation, along with a summary of some basic inadequacies of the application and supporting materials, was sent to the institution on Friday, July 27. The institution responded by requesting that the Licensing Team complete a full written report and that

the Commission move forward to take action on the institution's application. The team's analysis and recommendation follow.

I. Mission Statement

The basic purpose for an institution's existence should be spelled out in its "Mission Statement," which should provide readers with such information as whether the college is chartered as a for-profit or eleemosynary entity, the type of student served, the level(s) of degrees offered, the approximate size, the setting (urban, rural, etc.) and, most specifically, what it plans its students to know and achieve upon graduation. It generally should not provide detailed information about personnel or use of space, since these things are subject to sudden change. Since it provides a foundation for everything that follows, it should certainly be written in language that is structurally and grammatically correct to set a tone that indicates the collegiate level of the institution.

The Port College mission statement provides readers with much of the information that it should. Unfortunately, it totally neglects what is probably the most important element of a mission statement – what the college expects its students to know and achieve as a result of their education. Furthermore, it is rife with structural and grammatical errors including run-on sentences and comma splices. Finally, it contains information about space and personnel that is inappropriate and apparently inaccurate. For example, the organization chart (Exhibit 15d) lists Dr. Julius Barnes as Dean of the College, while the mission statement says that Dr. Watson N. Cleckley is Dean of the College.

Recommendation: It is recommended that the Mission Statement be rewritten to include student expectations or outcomes and to exclude inappropriate and or inaccurate information. Furthermore, the statement should be carefully proof read and revised to ensure that it is structurally and grammatically correct.

II. Board Members

It is generally accepted that a Board of Trustees or Directors should be constituted so that a majority of the members are independent of the paid administration. Port College provides no Constitution, By-laws, or other information indicating how Board members are selected or under what condition they may be removed. It appears that four out of the five Board members are administrators/faculty at the College, although one of them is apparently erroneously listed as Dr. Julius Brown rather than Dr. Julius Barnes.

Recommendation: It is recommended that a Constitution and By-laws be written and that the Board be reconstituted with the majority of its members independent of employment by the institution. In any case, assuming that the Committee is correct, the name of the fifth Board member should be corrected.

III. College Calendar

While it is understood that the College Calendar that was submitted will have to be adjusted based on the date the institution is actually licensed, it is clear that what was submitted was put together hastily. While most of the modules are scheduled for five Mondays in a row, one (October 10 through November 7) is scheduled on Wednesdays, another (November 12 through December 3) is only four weeks long, and two in 2008 include national holidays (Martin Luther King's Birthday and Memorial Day). This may be intentional; however, it also may cause scheduling problems for non-traditional students who are employed full time. Furthermore, at least two of the curricula (computer science and management) contain courses lasting six and seven weeks, although all seem to receive three credits. In response to a question from CHE staff about this, Dr. Morris wrote in his memo of July 9, 2007, "Students will take 10-Class modules per/year. However, some classes may require 6 or 7 weeks do (sic) to the course content. In four years students could earn 120 units or more for the degree. Most classes will require only five weeks." The calendar also states that "Each class will meet one day per week for four hours in class. Classes meet as groups outside of class for four hours each week. Group leaders will record their attendance for out of class meeting (sic)." There is no indication of who such group leaders will be, if there is any supervision of these out-of-class groups, or whether the attendance policy is applicable to these non-class meetings.

Recommendation: The college calendar needs to be examined carefully and corrected as needed to reflect appropriate time periods for courses. The supervision and attendance policy with regard to group meetings out of class also needs to be clarified.

IV. Academic Program

At the core of any collegiate institution is its academic program. Section 62-6.A of the **Licensing Criteria** states that programs must meet the following criteria: "The course, program, curriculum, and instruction are of quality, content, and length as may reasonably and adequately achieve the stated objective for which the course, program, curriculum or instruction is offered in response to documented need."

- A. **Determination of Need.** The team was informed that school officials were advised in a meeting prior to their application that they should identify programs that are unique and address what employers said was a shortage of people qualified to fill available positions. It was suggested that they contact employers and seek their input on programs and curricula. No data were provided on the number of students interviewed, employers contacted, job postings, or from the Employment Security Commission or the Bureau of Labor Statistics; nor was any analysis done comparing their proposed programs to those offered at other institutions in the area. Due to federal restraint of trade issues, the Commission cannot withhold licensure based on the competitive environment. Nevertheless, the institution is responsible to identify and address unmet need.

Recommendation: It is recommended that Port College take some action to identify and address unmet need.

B. General Education. A general education program by definition offers a common academic learning experience and should inspire students to become life long learners. Many professional programs and universities have recognized the importance of the liberal arts and sciences to that of a universal education. An understanding of history, culture, and language, the fine and performing arts, science and technology, and ethics is important for developing a broad world perspective and knowledge base. The general education curriculum presented by the applicant is of very poor quality and lacks many of the aforementioned elements. There is no reference to courses addressing the fine arts, foreign language, philosophy or ethics. The following observations and recommendations apply to the general education program:

B.1. Because the College’s mission statement does not contain a clear and succinct statement of the institution’s purpose for existence, the general education program in the document is not linked to the “Mission Statement.”

Recommendation: The institution should link the general education program to a rewritten “Mission Statement” so that the program reflects the purpose of the institution.

B.2. The applicant does not provide a description or purpose for the proposed general education component.

Recommendation: Before listing and providing a course description for the general education courses, the institution should write a brief narrative describing the purpose of the general education program.

B.3. While the same general education courses may not be required for all majors, there should be some common core and consistency in the offerings. Pages 27, 28, and 29 of the supporting materials list 12 three-credit courses for a total of 36 credits. Many of these courses conflict with the general education courses listed in the proposed majors. For example, English 100 is listed and described as a three-credit course. However, in the computer science major, it is listed as a four-credit course. The same is true for Biology 100.

The degree in public administration lists general education courses on page 22 in “Cultural Diversity,” “Population and the Environment,” and “Artistic and Creative Expression.” None of these courses is listed or described in the section where the general education courses are listed.

It is confusing to read on page 11 that the degree in psychology requires 53-65 hours in general education, when pages 28 and 29 list only 36 hours in the total general education program.

The degree in management states on page 17 that only 21 credit hours in general education are required, three of which are in literature. There is no literature course included among the general education courses on pages 28 and 29.

Recommendation: It is recommended that the institution develop, list, and describe a core set of common general education courses required of all majors. Categorize all general education courses in such groupings as: 1) communication arts; 2) mathematic; 3) technology; 4) natural sciences; 5) arts and humanities; 6) foreign language/culture; and 7) history, social and behavioral sciences. Identify the number of credit hours required in each category by major, with options depending of the student's major. The general education courses listed and described must be consistent with those offered in each major course of study.

- C. Major Areas of Study. The supporting materials include majors in four areas: Computer Science, Psychology, Management, and Public Administration. The format for describing these majors is totally inconsistent and confusing; it appears that they were written by different people and never compared. At least one of the areas mentions a minor, but how or what one would minor in is never explained.

Recommendation: It is recommended that Port College officials review the way in which all major curricula are presented so that they are complete and consistent. If minors exist, they should be explained.

- C.1. Computer Science Major. The proposed BS in Computer Science is a 120 credit hour program. Twelve courses (in English, oral communication, and math) found on the first page are not found in the general education program and are not described anywhere else in the proposal. A statement on that page says that “**In the degree program descriptions that follow, an asterisk indicates a course that will satisfy the college’s general education requirements.**” There are no asterisks next to any course listed; therefore, it is impossible to tell which courses are considered part of the general education program, particularly since many of them are not listed or described anywhere. The first paragraph on that page states that “Students who transfer into the computer science program are expected to complete a minimum of nine credit hours of computer science courses at Port College.” Section 62-6.D of the regulations clearly states that “at least twenty-five percent of the program must be earned through instruction by the institution awarding the degree.” Although the proposed calendar has no module longer than five weeks, 15 of the 19 computer science courses are listed as taking six weeks. One course

syllabus is provided for CS-108, Microcomputer Applications. It is indicated that this course will be taught “Term Module – 1,2007” However, on page 7 of the supporting materials, the description for CS-100 Survey of Computer Science states “Required of all computer science majors before taking any additional computer science courses.” In short, there is no indication that the curriculum for computer science has been refined beyond lists of courses, some with short course descriptions. There is no fully outlined curriculum indicating in what order and how the courses combine to fulfill a higher education degree program.

Recommendation: The Computer Science major needs to be totally rewritten to eliminate inconsistencies with other sections of the proposal, to meet the requirements of the regulations, and to provide students with a coherent explanation of its purpose and structure.

C.2. Psychology Major. The Bachelor of Arts in Psychology requires completion of 120 hours, at least 53 of which must be in general education. As mentioned earlier, there are only 36 hours of general education courses described in the section on general education. The list of 53 separate psychology courses to be offered is not creditable for a small institution, and immediately called the entire program into question. Further research found that 1) the course list is copied essentially verbatim from the on-line description of the Psychology programs course offerings of the University of South Carolina, a major research institution; and 2) the copied courses included in almost every case the exact course title, course number, course prerequisites, and a word-for-word course description. The syllabus for Psychology 101, provided later in the supporting materials also appears, at least in part, to be copied from another source. For example, although no textbook is named, specific chapter numbers are assigned, the syllabus refers to a bookstore, and the Academic Dishonesty policy says “Cheating and plagiarism types of academic dishonesty (sic), and thus violate the code of conduct for **Webster University** students.” (Bold lettering added for emphasis).

Recommendation: The psychology major needs to be totally rewritten without “lifting” entire portions of it from other sources, so that it could realistically be offered at an institution such as is proposed by Port College officials. Inconsistencies should be removed and the curriculum should be redesigned to reflect original thinking about the students’ needs and the institution’s purpose, and to provide a meaningful overall curriculum.

C.3. Management Major. The proposed BS in Management is listed as a 128-credit-hour program with a non-traditional format that requires only 21 hours of general education. It then requires 55 credits for “Electives and college minor” although there is no listing of possible minors. The core curriculum is listed as 52 credit hours in management. The management

curriculum lists 15 courses with three hours credit and two courses with two hours credit, but the length of these classes varies from two to seven weeks. The curriculum consists of a course list and short program description with no prerequisites or indication of how the courses fit together to form the management degree. Neither objectives for the courses nor student learning objectives/outcomes are indicated. The one course syllabus included for MGMT 100 has no text listed, although specific chapters are assigned. It also states that “Cheating and plagiarism types of academic dishonesty (sic), and thus violate the code of conduct for **Webster University** students.” (Bold lettering added for emphasis) The Committee finds it interesting that this same phrase (with the same error) appears three times (it is also found in the PAA 100 and PSYC 101 course syllabi) in the plagiarism policy.

Recommendation: The Management major needs to be rewritten to eliminate inconsistencies and to provide structure (an ordered curriculum) for the major. The MGMT 100 course syllabus should also be rewritten to demonstrate that it reflects some original thought and is not just put together with details that cause confusion and/or suspicion.

C.4. Public Administration Major. The 120-credit-hour major in public administration, while totally lacking in a description of its purpose, does appear to provide greater curricular structure to the student until you actually try to find some of the suggested courses in the materials that were submitted to the Commission. For example, in the first “semester” of 15 credit hours, possible courses include POS 100 American Government; Eng 129 Topics in English; COS 103 Spreadsheets (sic); and COS 120 Introduction to Programming. None of these courses is listed anywhere; the computer science courses have different numbers and abbreviations than those found with the Port College computer science curriculum. Even the last statement in the course list, “500-level courses may be appropriate in select cases. (Senior status, 3.2 grade point average and permission of instructor.) See list of Graduate Courses in Public Administration” provides evidence that it was either borrowed or the author was unaware that Port College is an undergraduate institution. Because this pattern continues throughout the curriculum, further research was done to discover if an outside source was used. It was discovered that the entire Public Administration curriculum and its layout is taken word for word from the Public Administration curriculum of the University of Maine. The one exception to this is that it has two “Third Years” and no “Fourth Year.” As mentioned earlier, the “Course Syllabus” for PAA 100 again contains the statement about Webster University.

Recommendation: The public administration major, as is the case with all other majors, needs to be completely rewritten to reflect a purpose, include courses that exist, and show some originality of thought.

V. Faculty

The four licensing team members who reviewed the general education component and the four proposed majors were unanimous in their opinion that, although the five faculty/administrators listed had good credentials from accredited institutions, it would be impossible to implement the proposed curricula without significant help. First, none of them was appropriately credentialed in some of the general education areas (e.g. English) that make up the core general education curriculum. Second, the proposed majors required a vast variety of courses which could not be taught by one person. The institution promises that all faculty will meet appropriate qualifications, but list no prospective faculty for a number of the areas that will need to be taught almost immediately. More important, **there is no budget to hire any full- or part-time faculty in the first year**; only the five administrators/faculty on the organization chart are available.

Recommendation: Port College must budget for and have credentials for at least some appropriate full or part-time faculty who will teach in areas in which the existing principals are not appropriately credentialed and qualified prior to any action which licenses the institution to begin classes.

VI. Evaluation and Assessment

Regulation 62-6.2 states that “The institution must have a clearly defined process by which the curriculum is established, reviewed and evaluated. The institution must provide for appropriate and regular evaluation of the institution and its program and course effectiveness including assessment of student learning, retention, graduation rates, and student graduate, faculty, and employer satisfaction. The results must be used to ensure and improve quality of instruction.” Again, the members of the team agreed that the very brief statement about meta-analysis for each degree program is totally inadequate. There is no explanation of how the general education component will be evaluated. Such important questions as “What are you trying to accomplish?” “How well are you doing?” “How can you use the answers to these questions to improve student learning and the curriculum?” need to be answered by a comprehensive assessment system that is in place before instruction ever begins. As one of the reviewers said, “A meta-analysis of ‘the various message design strategies to evaluate curricula’ is not an appropriate method for evaluating student learning.”

Recommendation: The institution must provide an assessment plan to monitor all aspects of the curriculum, including general education, as well as student learning. When implemented, the data collected should be actively used to improve appropriate aspects of the academic program and the teaching/learning process.

VII. Library

Regulation 61-6.C. provides that “The institution owns or makes available sufficient learning resources or, through formal agreements with institutional or other (where adequate) libraries to which students have access, ensures the provision of and access to adequate learning resources and services required to support the courses, programs and degrees offered. Formal agreements are defined and understood as written agreements in which each of the parties states clearly the resources and services it is willing and able to provide. There is no indication that even the most basic reference materials are or will be available on site. The application material included one letter from the assistant dean for public services at the library at the College of Charleston. It provides no more access to students at Port College than any State citizen has to any public or academic library in the State and says “Privileges do not include checkout of books, interlibrary loan, library instruction, use of classrooms, small group study rooms or meeting facilities, or off campus access to online subscription databases.” The College of Charleston is also approximately eight miles from the proposed site of Port College in North Charleston.

In order to mean anything significant, an agreement should be reached that, at the least, allows students from Port College to check out books or borrow them through interlibrary loan. Port College does not even indicate that it will make an exhaustive list of on-line resources available to students, although such a list could be constructed and submitted to the Commission to show some evidence that an effort is being made to consider students’ needs in this area.

Recommendation: Port College officials must take appropriate action to see that students will have appropriate learning resources at their disposal. At a minimum this should include a basic reference collection and convenient access to resources that will enable students to research and write “white papers” described in the curriculum materials.

The application for initial licensure requires that the institution develop and submit a list that the institution will provide to enrolled students showing library resources available to them, including main-campus, in-state, and local libraries, with which the institution has a current formal agreement. The Port College application did not do this.

VIII. Facilities and Equipment

Port College proposes to lease facilities at 3900 Leeds Avenue in North Charleston. However, the lease agreement that is provided with the application materials says, “The Lease Term and rent payments shall commence upon the issuance of Certificate of Occupancy or May first 2007, whichever comes first.” This means that unless Port College is already paying rent, the lease is out of date. Assuming the building is still available, it appears to be adequate, although inspection reports will be required from the appropriate entities (city, county, fire department, etc.), as the facilities are readied for occupancy. From the description provided, it appears that the furniture and

equipment that the institution plans to buy or lease will be sufficient for start-up. A team from the Commission will need to visit and review the facilities, equipment, and such things as the student record system once occupancy is established and within the first year of operation of the institution as provided for in Regulation 62-15.

Recommendation: Port College officials must update the lease prior to licensure. Evidence that all required inspections have been made and that the proposed furniture and equipment are installed must be furnished before classes begin and students attend the institution.

IX. Documents and Records

A collegiate institution must have documents that are clear and complete and must carefully maintain academic and financial institutional and student records. Regulation 62-20 states, "Institutions must store official student academic records in a secure vault or fireproof cabinet or store duplicates in a different building or at an off-site location. If the institution uses computer generated and stored records, it must have adequate security measures to protect and back up the data. The institution must have policies concerning retention and disposal of records and information-release policies which respect the rights of individual privacy, the confidentiality of records, and the best interests of the student and institution."

As the Licensing Team examined the application and supporting materials from Port College, it was continually mindful of the importance of clear and complete documents and records. It found that the "Grading System" described on page 30 of the Catalog did not correspond with potential grades listed in several of the course syllabi. For example, the syllabi contained grades of "F" and grades with pluses and minuses, while the "Grading System" does not. Furthermore, the statement in the "Grading System" that "For the purpose of computing a Grade Point Average (GPA), grade points per credit hours (sic) are assigned as follows:" would indicate that a three-credit-hour course on which a student receives a grade of "P" (Pass) or "S" (Satisfactory Progress) would have the same effect on the GPA as a grade of "FA" (Failure for Absence) or "WF" (Withdrawn Failings [sic]).

Recommendation: The grading system must be consistent throughout the application materials, and the description of how the grades are computed into the GPA must be corrected and clarified.

The information on enrollment and registration on page 31 of the catalog states that tuition is \$750 per course. However, the tuition policy on page 32 states that tuition is \$250 per credit hour, and the curricula contain two, three, and four credit hour courses. Furthermore, the tuition refund policy described on that page does not appear to comply with Regulation 62-18.

Recommendation: The information on enrollment and registration in the proposed catalog must be consistent and meet the requirements of the licensing regulations.

The application requests the “Projected enrollment by program and site for the first year. If the application is to recruit in South Carolina, project the number of South Carolina residents the institution expects to enroll in its first year.” No documentation was provided for this exhibit. However the financial information projects 150 full-time and 25 part-time students for the first year. Proper planning would suggest that individual program enrollments should be projected, and that, as pointed out in Section IV.A of this report, need be established through a credible needs analysis.

Port College apparently plans to contract with a company called “SunGard” for its record keeping system. The materials submitted in support of the application provided no samples of records as they appear on the system.

Recommendation: The institution must either provide appropriate samples of the materials produced by the “SunGard” system, or the Commission must be afforded an opportunity to examine the system and its materials subsequent to installation and prior to student attendance.

Copies of sample diplomas for graduates of the four major areas were provided with the supporting material to the application.

Recommendation: The diplomas should be refined to include the city and state of Port College and to provide a place for the date of issuance.

Regulation 62-26 “Advertising Guidelines” defines advertising and provides information to institutions on what is and is not appropriate to include in such materials. The application asks for “Sample advertising materials you plan to use in South Carolina.” Although advertising rates through various media were provided by Port College, no sample advertising materials were included.

Recommendation: The institution must either provide samples of the advertising materials before licensing, or the Commission must be afforded an opportunity to examine the initial materials before they are published or made available in an oral or visual format.

Regulation 62-16 lists information that each institution must provide in a catalog, bulletin, or brochure to students, prospective students, and other interested persons. A catalog checklist is included in each initial licensure packet. The form asks that the catalog include annotation of cross-references to the publication pages numbers. The application material did not include the checklist. A number of things that are covered in the Catalog have already been discussed elsewhere in this report. However, in addition to the items that have already been discussed, several additional items are either inadequately or totally uncovered in the catalog presented as part of the application.

The catalog did not include the required statement about licensure by the Commission; complete information about credit for previous education and training;

complete information about education, academic, or occupational objects of each program; complete information about curricula content and expected length of time to complete programs; attendance and conduct policies regarding tardiness, make-up work, conduct with causes for dismissal and conditions for re-admission; complete academic probation and suspension policies, graduation requirements, reporting of progress to students; a description of job placement assistance; a statement that enrollment in the institution or completion of the program does not guarantee employment; a procedure for handling student complaints; or a statement that the institution makes no claim or guarantee that credit earned will transfer to another institution.

Recommendation: The catalog must be revised so that it is grammatically correct, contains consistent information throughout, and all items are included. An application must include the checklist with proper referencing and cross-referencing in the catalog to each item.

X. Finances

After thorough review of the institution's documentation which was included in the package submitted for licensure, the team finds that Port College also fails to meet the financial regulations as prescribed by the SC Commission on Higher Education. The specific Regulations are listed below with comments followed by brief descriptions of inconsistencies in the financial information.

62-8. Financial Resources.

The adequacy of the financial resources of an institution shall be judged in relation to the basic purpose of the institution, the scope of its program(s), and the number of current or anticipated students. These resources shall be sufficient to show that the institution possesses adequate liquid assets to make potential refunds to students and to pay expenses in a timely fashion and can maintain continuity for an extended period. Evidence of adequate liquid assets for institutions applying for initial licensure may be in cash or other assets that may be readily converted into cash to buy goods and services or to satisfy obligations in an amount equal to start-up costs, expenses, and projected tuition income for the first term of enrollment.

The financial management practices of the institution shall conform to the following standards:

62-8.A. *Institutions shall maintain adequate financial records and exercise proper management, financial controls, and business practices.*

The institution submitted insufficient information to make a determination as to the adequacy of the financial records at Port College.

62-8.B. *All Institutions must submit financial statements. If the statements are internally generated (not compiled by an independent certified public accountant or audited), a copy of the most recent income tax return must also*

be submitted. Accounting statements must be accrual. Institutions required to submit audited financial statements to the United States Department of Education must submit a copy of the statements to the Commission.

In accordance with the guidelines, the institution submitted a Statement of Assets and Liabilities but it was internally generated. There was no way to make an assessment of the numbers in the report. In addition, the institution did not submit a tax return of the owner(s). The Statement of Assets and Liabilities which was submitted listed assets of \$1 million offset by liability of \$1 million. There is no evidence presented to support the \$1 million loan as listed on the Statement of Assets and Liabilities.

Recommendation: Port College must provide documentation of approval of the loan or ownership of liquid assets sufficient to support the project. This could be done by the submission of a personal net worth statement prepared and signed by a certified public accountant.

62-8.D. Adequate insurance shall be carried to protect the institution's financial interests. The amount of insurance shall be sufficient to maintain the solvency of the institution in case of loss by fire or other causes, to protect the institution in instances of personal and public liability, and to assure continuity of the operation of the institution.

A letter has been submitted by the Pam Nunley Insurance Company stating that Port College has asked for a liability insurance and Bond quote, but the records submitted do not reflect whether the insurance was obtained.

Recommendation: The College must provide documents supporting the existence of the required insurance.

62-8.E. Degree-granting institutions shall maintain a sound plan for long-range financial development. The plan must be in writing and available for review.

A long-range financial development plan has not been submitted to CHE by Port College for review.

Recommendation: Port College must develop and submit for review a long-range financial plan.

62-8.F. Degree-granting institution's business and financial management shall be centralized under a qualified and bonded business officer responsible to the chief executive officer and charged with the supervision of the budget.

The organizational chart submitted by Port College does show the business office reporting to the president, but there is no evidence that the position is funded or that bond insurance is in place for this position.

Recommendation: Evidence of funding, position description, and the bond must be developed and submitted for review.

The financial information projects tuition income of \$562,500 from full-time students and \$93,750 from part-time students, a total of \$656,250 in the first year. However, CHE licensing staff asked how the institution's officials arrived at the projected income. The president responded that the projected income was simply an estimate computed by the formula: $\text{Income} = ((\text{number of students per module})(\text{tuition})(10 \text{ modules}))$. Based on the formula provided by the institution, projected tuition income for only full-time students would total \$1,125,000 ($\text{Income} = ((150)(\$750)(10))$).

The projected income is the basis for the application fee. The fee is one-half of one percent of the projected gross tuition income for the first year, a minimum of \$115, maximum of \$5,000. Based on the income projected by the formula provided by the president, the correct fee amount is the maximum. ($\$1,125,000 \times .005 = \$5,625$). A check for \$150 accompanied the application for licensure.

The projected income is the basis for the surety bond. The bond is ten percent of the projected gross tuition income for the first year, a minimum of \$10,000. Based on the income projected by the formula the president provided, the correct amount for the surety bond is \$120,000. The application for initial license the college submitted included a letter from an insurance agency that it is working to obtain a \$20,000 bond for the school for a \$4,000 annual premium.

The budget for the first year includes a total of \$59,778 for equipment. It includes 25 desktop computers, three laptop computers, eight printers, office furniture, classroom furniture, and dividers.

For facilities, the officials of Port College are considering leasing a building at 3900 Leeds Avenue, North Charleston. The budget information shows \$6,200 rent for office space for the year, \$517 per month. However, the draft rental agreement shows \$6,250 rent per month.

The application for licensure includes a letter from Sungard Higher Education, an "investment estimate," and a software maintenance agreement. The estimate shows software license fees of \$79,500 and total estimated professional service hours of \$78,750 (at \$175 per hour). Payment of the license fees and first year maintenance fee (totaling \$95,400) are due 30 days after the contract sign date. However, the budget shows only \$12,000 to Sungard.

Recommendation: It is recommended that the institution review and revise its projected budget so that it as accurately as possible projects costs and expenses.

Summary

Port College's application and supporting materials for licensure are totally deficient, lacking in completeness, correctness, and serious consideration of what it takes to open a stable and reputable collegiate institution. The licensing team was appalled by the failure of the institution to meet even the most basic requirements of the State's licensing requirements. The team's recommendations throughout the report should not be taken lightly, as they are basic to preparing an application worthy of any future consideration. In as much as this is the second time an application has been submitted, the team does not feel it at all likely that these recommendations can or will be fully addressed in the future.

Recommendation: The team recommends that the institution withdraw the application for initial licensure and abandon its efforts to establish a new college.