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MEMORANDUM

To: Dr. Bettie Rose Horne, Chair, and Members, Committee on Academic Affairs and Licensing

From: Dr. Gail M. Morrison, Director, Academic Affairs and Licensing

Consideration of Request for Amendments to Existing License to Add New Sites A.A.S., Computer and Electronics Engineering Technology; A.A.S., Computer Drafting and Design; A.A.S., Information Technology, Computer Network Systems; A.A.S., Information Technology, Software Applications and Programming; A.A.S., Information Technology, Web Development; B.S., Construction Management; B.S., Electronics and Communications Engineering; B.S., Information Systems Security ITT Technical Institute, Carmel, IN, at Charleston and Conway

Summary

ITT Technical Institute (ITT) (http://www.itt-tech.edu) requests approval of amendments to its license to offer at new sites in Charleston and Conway **existing** programs leading to the A.A.S. degree in (1) Computer and Electronics Engineering Technology; (2) Computer Drafting and Design; (3) Information Technology, Computer Network Systems; (4) Information Technology, Software Applications and Programming; (5) Information Technology, Web Development; and to the B.S. degree in (1) Construction Management, (2) Electronics and Communications Engineering, and (3) Information Systems Security.

Programs will be offered in traditional format with the option to take courses through ITT Online with permission. After approval by the Commission, ITT officials expect to choose locations in Charleston and Conway, renovate them to their specifications, and implement the programs at the new sites.

ITT is a network of 107 co-educational, non-denominational, private, for-profit, career schools in 37 states operated by ITT Educational Services, Inc. (ESI), a Delaware corporation. The most recently added branch is in Charlotte, the fourth ITT location in North Carolina. The

network of schools enrolls a total of over 53,000 students. Shares are traded on the New York Stock Exchange under the symbol "ESI." ITT Technical Institutes are operating units of ESI and are not separately incorporated entities.

The Accrediting Council for Independent Colleges and Schools (ACICS) accredits ITT Technical Institute. ACICS, based on a staff review, will initially grant interim inclusion of the new branches within the main campuses' accreditation. The U.S. Department of Education recognizes the interim accreditation and allows the school eligibility for Title IV financial aid. Within six months of the interim inclusion, an ACICS staff member will visit the school. Within 12 months of the start of classes, the institution will submit its application. ACICS will distribute the application to a team of ACICS evaluators; they will conduct an on-site review and report findings to ACICS. ITT officials expect that ACICS will vote on inclusion of the branches at its meeting in December 2011.

The Commission has licensed ITT in Greenville since July 9, 1992, and in Columbia since December 7, 2006.

ITT FTE ENROLLMENT AND GRADUATES			Columbia		Greenville	
Degree	Major	Concentration	FTE 10/1/2008 (Start Date*)	Graduates FY 7/1/08-6/30/09	FTE 10/1/2008	Graduates FY 7/1/08-6/30/09
AAS	Computer and Electronics Engineering Technology		76 (6/07)	1	85	22
AAS	Computer Drafting and Design		44 (9/07)	0	116	23
AAS	Criminal Justice		0 (12/08)	0	0 (3/09)	0
AAS	Information Technology	Computer Network Systems	102 (6/07)	8	127	42
AAS	Information Technology	Multimedia	0	0	112	30
AAS	Information Technology	Software Applications and Programming	0	0	19	7
AAS	Information Technology	Web Development	0	0	0	0
AAS	Visual Communications		3 (9/08)	0	2 (3/09)	0
BS	Construction Management		0	0	0 (9/08)	0
BS	Criminal Justice		29 (6/07)	0	39 (12/08)	0
BS	Digital Entertainment and Game Design		N/A	N/A	11	9
BS	Electronic and Communications Engineering Technology		0	0	22	10
BS	Information Systems Security		0	0	9	5
BS	Technical Project Management		N/A	N/A	3	6
		Totals	254	9	545	154

*The date classes started in the listed program.

The following information from the U.S. Department of Education (USDE) shows student loan default rates at ITT. The following table shows the combined averages for all ITT campuses.

School	Type	Control	PRGMS		FY2006	FY2005	FY2004
ITT Technical Institute Combined - all campuses	Associate's, Bachelor's, Master's	Proprietary	Federal Family Educational Loan (FFEL) and Federal Direct Loan (FDL)	**Default Rate**	9.64	9.32	8.5
				No. in Default	3,249	2,713	2,097
				No. in Repay	33,703	29,113	24,665

The USDE sanctions a school when the school's three most recent cohort default rates are 25 percent or higher or if a school's current default rate is greater than 40 percent. Except in the event of a successful adjustment or appeal, such a school will lose Federal Family Education Loan, Direct Loan, and Federal Pell Grant program eligibility for the remainder of the fiscal year in which the school is notified of its sanction and for the following two fiscal years. ITT's default rates for the last three years are far below this standard.

For admission, an individual must exceed the age of compulsory school attendance; possess a high school diploma or GED; score a minimum of 13 on the Wonderlic Scholastic Level Exam; or score, within the immediate preceding five years, a minimum of 17 on the ACT or 400 each on both the verbal and math portions of the SAT. Alternatively, the student must have earned either 36 quarter credit hours with an overall cumulative grade point average of 2.0 on a 4.0 grading scale from an educational institution located (a) in the U.S. that is accredited by an accrediting agency recognized by the U.S. Department of Education or (b) outside the U.S. that is accredited or similarly acknowledged by an agency deemed acceptable to the school at its discretion; and (4) pass an individual interview with the registrar of the school, if requested.

Regardless of the admission path, the student must have obtained an overall cumulative grade point average of 2.0 on a 4.0 scale in all transfer courses. Not more than 90 quarter credit hours may be transferred from a two-year institution. Tuition is $468 per credit hour and on March 1, 2010, will increase to $493 per credit hour. Computed with current rates, the total tuition is $45,228 for a 96-quarter credit hour associate degree and $84,540 for a 180-quarter-credit hour bachelor's degree.

Faculty must have completed at least 18 graduate semester hours in the teaching discipline and must hold at least a master's degree or the minimum of the master's degree with a

major in the teaching discipline. The chief academic officer, the department chairpersons, and an appropriate number of faculty members hold terminal degrees. Each degree must be from an institution accredited by an accrediting body recognized by the U.S. Department of Education.

At the branches in Conway and Charleston, the institution will employ full-time staff including a director who will report to the Southeast region district manager. Reporting to the director, each site will also employ a full-time dean, director of finance, director of recruitment, and registrar. Full-time chairpersons and the learning resource center assistant will report to the dean.

ITT officials project enrollments in existing programs in the first years for the new sites in Charleston and Conway as follows:

Enrollment Projections for New Sites	Charleston	Conway
A.A.S., Computer and Electronics Engineering Technology	46	46
A.A.S., Computer Drafting and Design	31	31
A.A.S., Information Technology	55	55
B.S., Construction Management (2012)	23	23
B.S., Electronics and Communications Engineering Technology (2011)	11	11
B.S., Information Systems Security (2011)	12	12

The following are descriptions for each existing program. The curriculum for each program has been approved earlier by the Commission when it licensed these same programs in Columbia and Greenville.

A.A.S., Computer and Electronics Engineering Technology

ITT requests amendment of its current South Carolina license to add locations at Charleston and Conway for its program leading to the A.A.S. degree in Computer and Electronics Engineering Technology. The program is currently offered at ITT's locations in Columbia and Greenville.

The program leading to the A.A.S. degree in Computer and Electronics Engineering Technology prepares graduates for careers in a variety of entry-level positions in many fields of electronics and computer technology such as aviation, communications, computers, consumer products, defense, and research and development. The program acquaints students with certain circuits, systems and specialized techniques used in electronics and computer technology career fields and exposes students to a combination of classroom theory and practical application in a laboratory environment.

The Accrediting Board for Engineering and Technology, Inc., (ABET) accredits engineering programs at the baccalaureate and master's level; engineering technology programs at the associate and baccalaureate level; computing programs at the baccalaureate level, and

applied science programs at the associate, baccalaureate, and master's level. ITT does not hold and does not plan to seek specialized accreditation. Practitioner licensure or certification is not required for employment.

The U.S. Department of Labor, Bureau of Labor Statistics, *Occupational Outlook Handbook* projects that computer scientists and database administrators occupations will grow much faster than average as organizations continue to adopt and integrate increasingly sophisticated technologies. Job increases will be driven by very rapid growth in computer systems design and related services, which is projected to be one of the fastest growing industries in the U.S. economy.

Eleven public technical colleges offer a program leading to the Associate degree in Engineering Technology. Limestone College offers a program leading to the associate degree in Computer Science. ECPI offers programs leading to the A.A.S. degree in Electronics Engineering.

A.A.S., Computer Drafting and Design

ITT requests amendment of its current South Carolina license to add locations at Charleston and Conway for its program leading to the A.A.S. degree in Computer Drafting and Design. The program is currently offered at ITT's locations in Columbia and Greenville.

The program leading to the A.A.S. degree in Computer Drafting and Design (CDD) prepares students to work in entry-level positions in many diverse areas of technical drafting and design. Many industries use drafters who can translate the ideas, sketches, and specifications of an engineer, architect, or designer into complete and accurate working plans needed to make products, engineer projects, or create structures. The availability of micro-CAD systems has enabled even small drafting firms to utilize computer-aided drafting and design.

There is no recognized specialized programmatic accrediting agency for computer-aided drafting and design. Practitioner licensure or certification is not required for employment.

The U.S. Department of Labor, Bureau of Labor Statistics, *Occupational Outlook Handbook* projects that employment of drafters is expected to grow by six percent between 2006 and 2016, which is slower than the average for all occupations. However, even with relatively slow employment growth, job opportunities for drafters should continue to be good. Industrial growth and increasingly complex design problems associated with new products and manufacturing processes will increase the demand for drafting services. Further, drafters are beginning to break out of the traditional drafting role and do work previously performed by engineers and architects, also increasing demand for drafters. Finally, despite the slow growth, jobs will become available as current drafters retire or transfer to other occupations.

Opportunities are best for individuals with at least two years of postsecondary training in a drafting program that provides strong technical skills and considerable experience with CADD systems. As technology continues to advance, employers will look not only for drafters with a strong background in fundamental drafting principles but also for those with the ability to handle the advancements in technologies.

Central Carolina, Florence-Darlington, Greenville, Piedmont, Spartanburg Community, Tri-County, and York Technical Colleges offer programs leading to the Associate degree in Engineering Graphics Technology. South University offers a program leading to the A.S. degree in Graphic Design. Virginia College offers a program leading to the A.A.S. degree in Computer-Aided Drafting and Design.

A.A.S., Information Technology

Computer Network Systems, Software Applications and Programming, and Web Development

ITT requests amendment of its current South Carolina license to add locations at Charleston and Conway for its program leading to the A.A.S. degree in Information Technology. The program is currently offered at ITT's locations in Columbia and Greenville.

The program leading to the A.A.S. degree in Information Technology (IT) gives students a broad-based foundation in the area of IT and a concentration in one of three IT options.

The Computer Network Systems option prepares graduates to perform tasks associated with installing, upgrading, and maintaining computer network systems in typical LAN/WAN environments. This option explores a number of networking and internetworking technologies. Entry-level positions may include computer network analyst, computer network technician, help desk analyst, and WAN/LAN technician.

The Software Applications and Programming option prepares graduates to develop and modify software applications. Additional curriculum topics include programming languages and algorithms, and database development and applications. Entry-level positions may include database or junior programmer, software support technician, and software tester.

The Web Development option prepares graduates to perform tasks associated with designing, creating, and maintaining Web sites. Additional curriculum topics include Web authoring with appropriate scripting and/or coding tools, and Web application of database technology. Entry-level positions may include web administrator, web applications developer, web/software developer, and website developer.

There is no recognized specialized programmatic accrediting agency for information

technology programs. Practitioner licensure or certification is not required for employment.

According to the U.S. Department of Labor, Bureau of Labor Statistics, *Occupational Outlook Handbook*, employment of computer support specialists is expected to increase by 13 percent from 2006 to 2016, which is about as fast as the average for all occupations. Job growth will continue to be driven by the ongoing expansion of the computer system design and related services industry, which is projected to remain one of the fastest-growing industries in the U.S. economy.

Fifteen public technical colleges in the state offer programs leading to the associate degree in computer technology and eight private colleges offer programs leading to the associate degree in computer or information technology.

B.S., Construction Management

ITT requests amendment of its current South Carolina license to add locations at Charleston and Conway for its program leading to the B.S. degree in Construction Management. ITT currently offers the program at its locations in Columbia and Greenville.

The program leading to the B.S. degree in Construction Management teaches students the fundamentals and foundation in construction management, construction techniques, and legal issues. Areas of study include building codes, site construction and measurement, construction documents, construction project management, and construction safety management. Graduates may begin their careers in a variety of entry-level positions involving construction estimating, construction safety, construction project management, or building code compliance.

The American Council for Construction Education (ACCE) is the specialized programmatic accrediting agency for construction education programs. ACCE is recognized by the Council for Higher Education Accreditation (CHEA). ITT does not hold and does not plan to seek specialized accreditation. Practitioner licensure or certification is not required for employment.

According to the U.S. Department of Labor, Bureau of Labor Statistics, *Occupational Outlook Handbook,* employment opportunities in this field are expected to be excellent for construction managers through 2016 because the number of job openings will exceed the number of qualified individuals seeking to enter the occupation. This situation is expected to continue even as college construction management programs expand to meet the current high demand for graduates. The construction industry often does not attract sufficient numbers of qualified job seekers because working conditions are considered poor.

Greenville, Horry-Georgetown, Midlands, and Piedmont Technical Colleges offer programs leading to associate degrees in building construction, construction management, or

construction engineering. Clemson offers programs leading to the B.S. degree, a certificate, and a master's degree in Construction Science and Management. Bob Jones offers programs leading to the A.A.S. degree, certificate, and B.S. degree in Residential Construction Management.

B.S., Electronics and Communications Engineering Technology

ITT requests amendment of its current South Carolina license to add locations at Charleston and Conway for its program leading to the B.S. degree in Electronics and Communications Engineering Technology. ITT currently offers the program at its locations in Columbia and Greenville.

The program leading to the B.S. degree in Electronics and Communications Engineering Technology prepares graduates for career opportunities in a variety of entry-level positions in various fields involving electronics engineering technology including communication systems. Courses in this program offer a foundation in electronic circuitry and communications engineering technology through the study of subjects such as circuit analysis, circuit design, data and network communications, digital communications in the presence of noise, and calculus.

The Accrediting Board for Engineering and Technology, Inc., (ABET) accredits college and university programs in applied science, computing, engineering, and technology. ITT does not hold and does not plan to seek specialized accreditation. Practitioner licensure or certification is not required for employment.

The U.S. Department of Labor, Bureau of Labor Statistics, *Occupational Outlook Handbook* projects overall employment of engineering technicians is expected to grow about as fast as the average for all occupations, but projected growth and job prospects vary by specialty. Electrical and electronic engineering technicians are expected to have four percent employment growth between 2006 and 2016, growing more slowly than the average for all occupations. Although rising demand for electronic goods—including communications equipment, defense-related equipment, medical electronics, and consumer products—should continue to drive demand, foreign competition in design and manufacturing will limit employment growth.

South Carolina State University offers a program leading to the B.S. in Electrical Engineering Technology at its Orangeburg campus, at Trident Technical College, Aiken Technical College, and the University Center of Greenville. Benedict College offers a program leading to the B.S. in Electrical and Electronic Engineering Technologies.

B.S., Information Systems Security

ITT requests amendment of its current South Carolina license to add locations at Charleston and Conway for its program leading to the B.S. degree in Information Systems Security. ITT currently offers the program at its locations in Columbia and Greenville.

The program leading to the B.S. degree in Information Systems Security teaches students the essentials of information security and the security aspects of common information technology platforms. Roles of information systems security personnel include analysis, design and implementation of security systems, security monitoring and countermeasures, and ongoing administration. Graduates of this program may begin their careers in entry-level positions involving information systems security such as network/security administrators or security systems technologists.

The Accrediting Board for Engineering and Technology, Inc., (ABET) accredits college and university programs in applied science, computing, engineering, and technology. ITT does not hold and does not plan to seek specialized accreditation. Practitioner licensure or certification is not required for employment.

The U.S. Department of Labor, Bureau of Labor Statistics, *Occupational Outlook Handbook* projects employment of network and computer systems administrators is expected to increase by 27 percent from 2006 to 2016, which is much faster than the average for all occupations. Demand for computer security specialists will grow as businesses and government continue to invest heavily in "cyber security," protecting vital computer networks and electronic infrastructures from attack. The information security field is expected to generate many new system administrator jobs over the next decade as firms across all industries place a high priority on safeguarding their data and systems.

Other colleges and universities in South Carolina that offer similar programs are Limestone, B.S., Computer and Information Systems Security; ECPI, A.A.S., Computer Information Systems, Network Security; Strayer, B.S., Information Systems, (1) Computer Security, (2) Homeland Security and Information Systems, (3) Security Administration, and (4) Computer Security Management. U.S.C.-Columbia also offers a certificate in Information Assurance and Security.

Recommendation

The staff recommends that the Committee on Academic Affairs and Licensing commend favorably to the Commission an amendment to the license of ITT Technical Institution to offer at new sites in Charleston and Conway existing programs leading to the A.A.S. degree in (1) Computer and Electronics Engineering Technology; (2) Computer Drafting and Design; (3) Information Technology, Computer Network Systems; (4) Information Technology, Software Applications and Programming; and (5) Information Technology, Web Development; and to the B.S. degree in (1) Construction Management, (2) Electronics and Communications Engineering, and (3) Information Systems Security. The staff further recommends that the Committee recommend to the Commission that it grant to the staff authority to license the sites in Charleston and Conway when the facilities have been developed.