



South Carolina Commission on Higher Education

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MEMORANDUM

To: Mr. Ken Wingate, Chair, and Members, S.C. Commission on Higher Education
From: Dr. Bettie Rose Horne, Chair, and Members, Committee on Academic Affairs and Licensing

Consideration of Request for Amendment to Existing License to Recruit South Carolina Residents Into New Programs: D.B.A., Management; Ph.D., General Psychology, Cognition and Instruction; and Ed.D., Organizational Leadership, Grand Canyon University, Phoenix, AZ

Summary

Grand Canyon University (GCU) (<http://www.gcu.edu/>) of Phoenix, Arizona, requests approval to recruit South Carolina residents into online programs leading to the Doctor of Business Administration degree in Management, the Doctor of Philosophy degree in General Psychology with an emphasis in Cognition and Instruction, and the Doctor of Education degree in Organizational Leadership. The request is to begin advertising and recruiting upon approval by the Commission.

At its September 1, 2011, meeting, the Committee on Academic Affairs and Licensing (CAAL) considered requests of GCU and voted to recommend licensure to the Commission. At its December 1, 2011, meeting, CAAL reconsidered the item, tabled the request, and asked that GCU officials provide additional information addressing specialized accreditation, program costs, and US Department of Education investigations.

GCU officials provided additional information and CAAL reconsidered the item at its February 2 meeting. The Committee members, Commission staff, and GCU officials discussed the proposals at length. Because of concerns primarily centered on faculty credentials for a fourth program, the Ph.D. degree in General Psychology with an emphasis in Industrial and Organizational Leadership, GCU officials withdrew its request for approval of that program so that CAAL could move the remaining three programs for approval by the Commission.

Grand Canyon University (GCU) is a private, for-profit institution owned by Grand Canyon Education, Inc., incorporated in the state of Delaware. GCU began in the 1920's with the closing of a small Baptist college in the state of New Mexico. Growth was limited until the University moved to Arizona in the 1940's. It occupied the present campus in Phoenix in 1951. Significant Education, LLC, purchased the institution in January 2004, and in May 2008 changed its name to Grand Canyon Education, Inc.; its status changed from an independent, non-denominational Christian institution to a for-profit, non-denominational, Christian institution. It made its Nasdaq Global Market initial public offering (IPO) under the symbol LOPE in November 2008.

Grand Canyon Education, Inc. (Grand Canyon) is a provider of online postsecondary education services focused on offering graduate and undergraduate degree programs in core disciplines of education, business, and healthcare. In addition to its online programs, Grand Canyon offers on-ground programs at its campus in Phoenix, Arizona, and at off-campus sites on the facilities of employers in Arizona. As of December 31, 2010, 85 percent of the institution's 41,482 students were enrolled in its online programs and 62 percent of its students were pursuing master's degrees. During the year ended December 31, 2010, Grand Canyon offered 82 academic degree programs. The company primarily focuses on recruiting and educating working adults in its online programs, defined as students aged 25 or older who are pursuing a degree while employed.

The North Central Association of Colleges and Schools-Higher Learning Commission (NCA-HLC) has accredited GCU since 1968. The Arizona State Board for Private Postsecondary Education licenses the institution. Thirty other states and the District of Columbia license/approve Grand Canyon to offer its programs to their residents.

Since January 2009, the Commission has licensed GCU to recruit South Carolina residents into undergraduate and graduate programs in business, education, liberal arts, and health sciences disciplines. Currently, 274 South Carolina residents are enrolled in Grand Canyon programs. Institution officials project that in 2012 it will enroll approximately 300 additional South Carolina residents in its undergraduate programs and 400 in its graduate programs.

The following information from the U.S. Department of Education (USDE) shows student loan default rates at GCU:

School	Type	Control	PRGMS		FY2009	FY2008	FY2007
Grand Canyon University 3300 West Camelback Road Phoenix, AZ 85017-3030	Master's Degree or Doctor's Degree	Proprietary	Federal Family Education Loans and Federal Direct Loans (FFEL/FDL)	Default Rate	9.2%	3.4%	1.4%
				No. in Default	739	164	58
				No. in Repay	7,948	4,735	4,022
Students enrolled at any time during the year					27,517	16,753	12,287
Percentage of borrowers entering repayment					28.9%	28.3%	32.7%

To provide context for the Cohort Default Rate (CDR), USDE includes enrollment data (students enrolled at any time during the year) and a corresponding percentage (borrowers

entering repayment divided by that enrollment figure). While there is no direct relationship between the timing of when a borrower entered repayment (October 1 through September 30) and any particular enrollment year, these data are for the academic year ending on the June 30 prior to the beginning of the cohort year (e.g., FY 2008 CDR Year uses 2006-2007 enrollment).

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 Loans (FFEL), 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.

Recent U.S. Department of Education (USDE) investigations involved GCU's (1) incentive compensation for enrollment counselors, (2) objectives of a program leading to a B.A. degree in Interdisciplinary Studies, and (3) records concerning students withdrawals. USDE Office of Inspector General confirmed to CHE staff that it does not have any open complaints concerning GCU. The following paragraphs describe the status of the investigations.

- (1) USDE's December 2010 report to congress says that in August 2010, Grand Canyon University officials agreed to pay \$5.2 million to settle a *False Claims Act* case brought on behalf of the Government by a former University employee turned whistleblower charging that the school had violated the HEA's ban on incentive compensation. According to the whistleblower, the University provided salary increases to its recruiters based solely on the number of students the recruiters enrolled. GCU's position is that the compensation plan for enrollment counselors complied with the USDE's regulations in effect during the period of the review. GCU's current compensation plan does not base compensation to recruiters on enrollments.
- (2) The USDE's position was that students enrolled in GCU's BA in Interdisciplinary Studies program were not eligible for Title IV financial aid because the program did not provide students with training to prepare them for gainful employment in a recognized occupation. GCU's position is that the program was eligible as a general education program. However, GCU has chosen to teach out the BA in Interdisciplinary Studies because of low enrollment. GCU did not seek approval to recruit SC residents into the program.
- (3) The issue was about inadequate procedures related to non-passing grades. This involved students with non-passing grades for a term and that the institution had no documented attendance under which circumstances should have been unofficial withdrawals. A withdrawal would reduce or eliminate eligibility for Title IV funds. The result would require the University to return all or a portion of the Title IV funds with respect to such students. GCU has implemented modifications to its system to auto-detect students who are not participating in online classes and not making grades which qualify as satisfactory academic progress (SAP) as required by the USDE.

Three full-time librarians with master's degrees, one full-time assistant, and part-time work-study students staff the campus library. In addition, a director of e-library services manages the online library web site and e-resources. Students access the online library through Canyon Cruiser (GCU Intranet), ANGEL, or <http://library.gcu.edu>. Electronic resources include 15 major databases (more than 60 databases total); 60,000 e-books; 169,000 full-text works; 10,000 journals; and 104,000,000 abstracts, citations, and bibliographic records. Electronic resources specific to the College of Education include EBSCOHost, EmeraldInsight, FirstSearch

(OCLC), Issues and Controversies, LexisNexis, Oxford English Dictionary, Wilson Biography Plus Illustrated, ebrary, and NetLibrary.

Each college (Business, Education, Health Sciences, Liberal Arts, and Doctoral) at Grand Canyon University is led by a terminally credentialed dean who reports to the provost, an associate and/or assistant dean, program directors, and faculty. The University employs 1,642 faculty members, 200 of whom are full-time. GCU determines faculty qualifications at the course level. Faculty members who teach at the graduate level must hold a terminal degree in the field.

Doctoral program tuition at GCU is \$595 per credit (\$35,700 for 60 credits) plus \$400 one-time learning management fee and \$800 per residency. The D.B.A. and the Ed.D. include two residencies each; the Ph.D. does not require a residency.

Program	Tuition	Other fees	Total fees
DBA	\$35,700	\$2,000	\$37,700
Ed.D.	\$35,700	\$2,000	\$37,700
Ph.D.	\$35,700	\$400	\$36,100

For admission to a doctorate degree program, applicants must have earned an advanced degree from a regionally accredited institution with a grade point average of at least 3.4, submit a goal statement that highlights life experiences and values that motivated him or her to seek a doctoral degree, and indicate a proposed area for the dissertation. Applicants may also be admitted if their grade point average for the most recent 30 credits towards a master's degree is between 3.0 and 3.39. He or she must also (1) submit a portfolio that includes a writing sample that shows graduate-level communication and analytical skills, (2) document professional accomplishments, and (3) compose a minimum 500-word dissertation-oriented goal statement that highlights life experiences and/or values that motivated the applicant to seek a doctoral degree. The dean reviews the application documentation. The University generally accepts transfer into doctorate programs up to nine credits earned within the last seven years with a grade of B or better from regionally accredited colleges and universities.

The following provides a brief description of each program, information about specialized programmatic accreditation, practitioner licensure information, U. S. Bureau of Labor Statistics information where appropriate, tables that show curricula content, and information about similar programs offered by other institutions in the state.

D.B.A., Management

The College of Business offers a 60-semester credit hour program leading to the Doctorate degree in Business Administration, Management, designed for those who desire a deeper understanding of business theory and its application to their area of professional interest. Students learn to create, advance, and disseminate new knowledge in a business field and are prepared to apply the new knowledge as experts and administrators in organizations. In addition to the standard admission requirements, students must possess a Master of Business Administration degree or have a 3.0 GPA in graduate-level business courses in accounting, finance, and statistics.

The Association to Advance Collegiate Schools of Business (AACSB) and the Accreditation Council for Business Schools and Programs (ACBSP) are the specialized accrediting organizations for business and business-related programs. ACBSP accredits undergraduate and graduate programs in business, accounting, and management at GCU. The D.B.A. program will be eligible for accreditation after the first student graduates, expected in early summer 2014. The program will then be eligible to seek specialized accreditation. The dean of the Business School projects that Accreditation Council for Business Schools and Programs (ACBSP) accreditation will take 6-12 months. The process includes a site visit; therefore, the timing will depend on the availability of reviewers to conduct an on-site visit in Phoenix. GCU expects to accomplish ACBSP accreditation for the D.B.A. by mid-2015. Practitioner licensure or certification is not required for employment in business or management.

The U.S. Department of Labor, Bureau of Labor Statistics, *Occupational Outlook Handbook* lists management employment opportunities for holders of business administration credentials in a variety of settings including administrative services; advertising, marketing, promotion, and sales; advocacy, grantmaking, and civic organizations; banking; construction; education; facilities; finance; government; human resources; insurance; labor relations; medical and health services; public relations; and real estate.

Doctor of Business Administration with an Emphasis in Management

Course No.	Course Title	Cr Hrs
RES 811	Introduction to Advanced Graduate Studies and Scholarship	3
DBA 805	Management Theory in a Global Economy	3
DBA 810	Contemporary Issues in Marketing	3
RES 861	Analysis of Existing Research	3
DBA 815	Economics for Business Decisions	3
MGT 805	Designing Organizational Structures	3
RES 865	Research Design and Methods	3
RSD 851	Residency: Dissertation	3
MGT 810	Intellectual Capital in a Learning Organization	3
DBA 820	Emerging Issues in Financial Management	3
MGT 815	Managing Stakeholder Relationships	3
LDR 805	Innovation: The Last Frontier of Competitive Advantage	3
MGT 820	Using Business Analytics for Competitive Advantage	3
RES 871	Developing the Formal Proposal	3
DBA 825	Creating Sustainable Competitive Advantage	3
RSD 881	Residency: Presentation of Progress or Results	3
DBA 830	Statistics for Business Research	3
DBA 955	Dissertation I	3
DBA 960	Dissertation II	3
DBA 965	Dissertation III	3
	TOTAL CREDITS	60

The University of South Carolina-Columbia and Clemson University offer programs leading to Ph.D. degrees in Business Administration and Management, respectively.

Ed.D., Organizational Leadership (Nonlicensure)

The College of Business in collaboration with the College of Education offers a 60-semester credit hour program leading to the Doctorate degree in Education, Organizational Leadership. The program is designed to develop leaders capable of generating new knowledge and responsibly applying knowledge to achieve organizational outcomes. Students choose an emphasis in Behavioral Health, Education and Effective Schools, Higher Education Leadership, Instructional Leadership, or Organizational Development.

The program does not lead to principal or superintendent certification although those who are already certified may use the degree for credential-based pay upgrade. The University will provide a disclosure to SC residents before they enroll and will screen applicants to assure that they are informed about the objectives and uses of the credential. The description of the program advises students to inquire directly with their state if they intend to pursue licensure as this degree does not lead to licensure. Grand Canyon officials have agreed to strengthen the information they provide to applicants from South Carolina to say, "The program does not lead to certification in South Carolina" and to include the disclosures on the Enrollment Agreement that students sign before they enroll. Sample language is included on the last page of this memorandum.

The National Council for Accreditation of Teacher Education (NCATE) and the Teacher Education Accreditation Council (TEAC) accredit teacher education programs. GCU has submitted the program for inclusion under NCATE. In December 2011, the National Council for Accreditation of Teacher Education (NCATE) granted "candidate" status to GCU. The NCATE on-site visit is scheduled for April 2012. The first NCATE meeting after the visit will be in October 2012. In the absence of significant findings, notification of NCATE accreditation is expected before the end of 2012.

On October 22, 2010, the boards of the National Council for Accreditation of Teacher Education (NCATE) and the Teacher Education Accreditation Council (TEAC) unanimously agreed to create a new accrediting organization to consolidate the work of TEAC and NCATE. The combined organization will be the Council for the Accreditation of Educator Preparation (CAEP). CAEP has established Standards for Accreditation of Educator Preparation for all institutions and, in addition, will offer applicants a choice of four options: (1) Academic Quality Audit, (2) Continuous Improvement, (3) Inquiry Brief, and (4) Transformation Initiative. Since GCU is seeking its initial accreditation, the existing NCATE standards apply. Upon continuing accreditation in 2017, University officials expect to choose what is currently (2) Continuous Improvement.

The core curriculum for the program leading to the Ed.D. degree in Organizational Leadership is shown in the following table followed by descriptions and courses of the emphases.

Doctor of Education in Organizational Leadership (Core Courses)

Course No.	Course Title	Cr Hrs
RES 811	Introduction to Advanced Graduate Studies and Scholarship	3
LDR 802	Progressions in Leadership Thought	3
LDR 800	Ethical Dilemmas and Stewardship	3
RES 861	Analysis of Existing Research	3
LDR 809	Servant Leadership	3
LDR 825	Strategic Planning and Change	3
RES 862	Understanding Research and Methodology	3
RSD 851	Residency: Dissertation	3
RES 871	Developing the Formal Proposal	3
LDR 804	Leading Across Cultures	3
LDR 805	Innovation: The Last Frontier of Competitive Advantage	3
DIS 955	Dissertation I	3
DIS 960	Dissertation II	3
DIS 965	Dissertation III	3
RSD 881	Residency: Presentation of Progress or Results	3

Core Credits: 45

Emphasis from below: 15

Total Ed.D., Organizational Leadership: 60

Ed.D., Organizational Leadership, Organizational Development Emphasis

In pursuing the Doctor of Education in Organizational Leadership with an Emphasis in Organizational Development, students develop as servant leaders, acquiring the skills and knowledge to tackle the complex challenges facing modern organizations today.

Course No.	Course Name	Cr Hrs
ORG 805	The Nature and Dynamics of Organizations	3
ORG 810	Leading the New Organization	3
ORG 815	Understanding Toxic Leadership	3
ORG 820	Organizational Governance and Accountability	3
ORG 825	Leading Value-Driven Organizations	3

Emphasis in Organizational Development: 15

Ed.D., Organization Leadership, Higher Education Emphasis

The program leading to the Doctor of Education in Organizational Leadership with an Emphasis in Higher Education Leadership prepares graduates to lead a higher education institution through strategy, financial management, and planning, both of the physical plant and of the human resources within the organization. Students learn about the foundation and history, organizational needs, and learning environment of higher education in order to lead the institutions of today and plan for the institutions of tomorrow.

Course No.	Course Name	Cr Hrs
EDU 805	The History and Politics in Higher Education	3
EDU 810	Funding and Budgetary Challenges in Higher Education	3
EDU 815	Curriculum Leadership and Development in Higher Education	3
EDU 820	Supervision and Staff Development in Higher Education	3
EDU 825	Facilities Management and Continuous Renewal	3

Emphasis in Higher Education: 15

Ed.D., Organization Leadership, Education and Effective Schools Emphasis

The program leading to the Doctor of Education degree in Organizational Leadership with an Emphasis in Education and Effective Schools ensures that educational leaders apply leadership theory and practice to topics of interest and issues transforming the current educational system. The program provides the knowledge and skills that educational leaders need to conceive new strategies of practice by forecasting the future of the educational system, the institutions, and the constituencies they serve.

Course No.	Course Name	Cr Hrs
EDA 805	Effective Schools Research	3
EDA 810	Case Studies of Effective Schools	3
EDA 815	Leadership for Continuous School Improvement	3
EDA 820	Leadership and Sustainable Educational Change: The District Context	3
EDL 810	Staff Development and Deep Organizational Learning	3

Emphasis in Education and Effective Schools: 15

Ed.D., Organization Leadership, Behavioral Health Emphasis

The program leading to the Doctor of Education degree in Organizational Leadership with an Emphasis in Behavioral Health is designed specifically for practicing behavioral health professionals, including licensed professional counselors, licensed marriage and family therapists, licensed social workers, school counselors, psychiatric nurses, and behavioral health agency managers. Students must hold a master's degree in a behavioral health-related field to participate in this program, which assists students with their development into behavioral health servant leaders who are ethical agents of change with diverse populations in a wide variety of behavioral health organizational settings.

Course No.	Course Name	Cr Hrs
PCN 805	Consultation for Behavioral Health Professionals	3
PCN 810	Organizational Psychology	3
PCN 815	Psychology of Motivation	3
PCN 820	Behavioral Health Clinical Supervision	3
PCN 825	Ethics and Behavioral Health Leadership	3

Emphasis in Behavioral Health: 15

Ed.D., Organization Leadership, Instructional Leadership Emphasis

The program leading to the Doctor of Education degree in Organizational Leadership with an Emphasis in Instructional Leadership is designed for students interested in the Pre-K-12 arena. This program is focused on addressing real-world challenges and opportunities facing school leaders in the 21st century and is designed to develop the skills required to translate theory into effective, innovative leadership practices and to sustain continuous school improvement measures. The specialization is designed to be completed within three years, with all courses taken in sequence, allowing students to learn and build professional relationships with the same cohort of colleagues. Students also have the opportunity to develop an applied research project (dissertation) that contributes to the solution of a recognized problem in the field.

Course No.	Course Name	Cr Hrs
EDL 805	Training and Collaboration for Learning	3
EDL 810	Staff Development and Deep Organizational Learning	3
EDL 815	Systematic Structures for Innovation and Change	3
EDL 820	The Systematic Use of Data for Innovation and Change	3
EDL 825	Prevention and Intervention Strategies	3

Emphasis in Instructional Leadership: 15

Clemson, South Carolina State, USC-Columbia, Bob Jones, and Columbia International offer programs that lead to the Ed.D. or Ph.D. degree in Education Administration or Leadership.

Ph.D., Psychology, Cognition and Instruction

The program leading to the Ph.D. degree in Psychology, Cognition and Instruction offers courses that increase the understanding of human actions in the past and present. The program prepares individuals to engage their knowledge and skills in cognition and instruction in applied settings of teaching and/or conducting psychological research in business, government, or institutions of higher education. Core areas of knowledge include history and systems of psychology, cognition, research methods, and statistics, as well as personality, abnormal, social, multicultural, and developmental psychology. In addition to general admission requirements, students must have earned at least a grade of C in graduate-level statistics.

The American Psychological Association (APA), Committee on Accreditation (CoA) accredits only doctoral programs that prepare students for licensure as counselors. However, GCU has submitted the program for inclusion under NCATE. In December 2011, the National Council for Accreditation of Teacher Education (NCATE) granted “candidate” status to GCU. The NCATE on-site visit is scheduled for April 2012. The first NCATE meeting after the visit will be in October 2012. In the absence of significant findings, notification of NCATE accreditation is expected before the end of 2012.

The U.S. Department of Labor, Bureau of Labor Statistics, *Occupational Outlook Handbook* (OOH) lists psychologist employment opportunities in educational institutions, counseling, testing, research, administration, health care and mental health, correctional facilities, and law enforcement. The OOH also states that job prospects should be best for people who have a doctoral degree in an applied specialty such as counseling or health.

The curriculum for the program leading to the Ph.D. degree in General Psychology, Cognition and Instruction emphasis, is shown in the following tables.

Doctor of Philosophy in General Psychology (Core Courses)

Course No.	Course Title	Cr Hrs
PSY 801	Doctoral Studies in Psychology	3
PSY 805	Advanced Social Psychology	3
PSY 810	History and Systems of Psychology	3
PSY 815	Ethical Issues in Psychology	3
PSY 825	Advanced Research Design	3
PSY 828	Advanced Life Span Development	3
PSY 850	Qualitative Research Methods	3
PSY 840	Personality Psychology	3
PSY 843	Program Evaluation	3
PSY 847	Biological Psychology	3
PSY 845	Doctoral Statistics	3
PSY 870	Multivariate Statistics	3
PSY 955	Dissertation I	3
PSY 960	Dissertation II	3
PSY 965	Dissertation III	3

Ph.D., General Psychology Core: 45
Emphasis from below: 15
Total Ph.D., General Psychology: 60

Ph.D., Cognition and Instruction Emphasis:

Course No.	Course Name	Cr Hrs
PSY 820	Cognitive Science	3
PSY 812	Tests and Measurements	3
PSY 860	Human Learning and Cognition	3
PSY 863	Cognition and Instruction	3
PSY 866	Social Cognition	3

Emphasis in Cognition and Instruction: 15

Clemson offers programs leading to the Ph.D. degree in Industrial/Organizational Psychology and Human Factors Psychology. USC-Columbia offers programs leading to the Ph.D. degree in Clinical-Community Psychology, Educational Psychology and Research, Experimental Psychology, and School Psychology.

Recommendation

The Committee on Academic Affairs and Licensing commends favorably to the Commission amendment to the license of Grand Canyon University, Phoenix, AZ, to recruit South Carolina residents into online programs leading to the Doctor of Business Administration degree in Management, the Doctor of Philosophy degree in General Psychology in Cognition and Instruction, and the Doctor of Education degree in Organizational Leadership conditional upon the inclusion of additional disclosures to South Carolina residents in the program information for each program and on the Enrollment Agreement and that the institution meet its timelines for NCATE and ACBSP specialized accreditation. Institution officials must keep the staff of CHE informed about the status and progress of accreditation and, if it becomes apparent that it cannot meet the standards for accreditation within its timeline, the institution must cease recruiting and enrolling new students into the programs and immediately advise enrolled students of the status of accreditation.

Grand Canyon University

Disclosures to SC residents

Catalog (printed if applicable and web site), Program Descriptions, and Enrollment Agreements

Grand Canyon University is licensed to recruit SC residents by the South Carolina Commission on Higher Education, 1122 Lady Street, Suite 300, Columbia, SC 29201; 803-737-2260; www.che.sc.gov. Licensure indicates only that minimum standards have been met; it is not an endorsement or guarantee of quality.

Grand Canyon University makes no guarantee that other institutions will accept credits earned at Grand Canyon University. The transfer of course/degree credit is determined by the receiving institution.

Applicant students must consult with their academic advisors concerning eligibility for employment in discipline-related fields.

A statement similar to the following where programs do not lead to licensure or certification:

The program leading to a Ph.D. degree in General Psychology, Cognition and Instruction, does not lead to professional licensure.

The program leading to the Ed.D. degree in Organizational Leadership does not lead to professional licensure.