

# IOWA COLLEGE STUDENT AID COMMISSION

## Northcentral University Application for Postsecondary Registration Renewal September 2016

### **RECOMMENDED ACTION:**

***Approve Northcentral University's request for registration renewal in Iowa for a two-year retroactive term that begins on January 18, 2016 and ends on January 18, 2018.***

### **Registration Purpose**

Revised Iowa Code Sections 261B.2 (definitions) and 261B.3 require a school to register with the Commission if a person compensated by the school conducts any portion of a course of instruction, including by in-person, distance education, or correspondence method in this state or if the school otherwise has a presence in this state. Presence means a location in Iowa at which a student participates in any structured activity related to a school's distance education course of instruction. Presence also means an address, location, telephone number, or internet protocol address in Iowa from which a school conducts any aspect of its operations. Staff required Northcentral University (the University) to apply for registration to offer distance education programs to Iowa residents because a) the University employs several faculty in its distance education programs who work remotely for the University from an Iowa location(s); and b) the University offers a distance education program(s) that require a structured field experience that an Iowa resident student may participate in at an Iowa location.

### **Institutional Information**

Northcentral University is a for-profit postsecondary educational institution that offers only distance education programs and whose administrative and legal headquarters are located at 2488 Historic Decatur Road, Suite 100, San Diego, California 92106. The University maintains a Service Center at 8667 East Hartford Drive, Scottsdale, Arizona 85255. The Chief Executive Officer of the school is President George A. Burnett, at the Scottsdale, Arizona address; 8667 East Hartford Drive, Suite 100, Scottsdale, Arizona 85255. The University is not registered with the Iowa Secretary of State as a corporation conducting business in the state of Iowa, and the Iowa Student College Aid Commission cannot require that it do so due to the fact that the University is a distance education provider.

*Ownership:* Northcentral University was founded in 1996 by Dr. Donald Hecht as a virtual degree granting institution. In 2008, Northcentral University was 100% acquired by NCU Holdings, LLC. Northcentral University is a wholly-owned subsidiary of Northcentral Education International, Inc., which is a wholly-owned subsidiary of Northcentral University, Inc., Northcentral University, Inc. is a wholly-owned subsidiary of Innova Management Group, Inc. (Innova), and Innova is a wholly-owned subsidiary of NCU Holdings, LLC.

Board of Trustees:

- George A Burnett: Ex-Officio Member of Board of Trustees, CEO/ President, Northcentral University, MBA.
- Martin Gottlieb: Chair; Governance Committee, Executive Vice President; FirstFed Financial Corp; retired, Doctor of Humane Letters.
- Harold Greenberg: Secretary/ Treasurer of the Board of Trustees, Chair; the Royce Companies, Bachelor of Science in Industrial Management.
- Brian Hermelin: Member, Founding Partner of Rockbridge Growth Equity, LLC, MBA.
- James Horton: Member, Board Governance Consultant; American Association of Community College Trustees, PhD.
- Jerry Israel: Chairman of the Board, ex-Officio member of all Committees; Northcentral University, served as Peer Evaluator for the Higher Learning Commission for over a decade, PhD.
- Steve Linden: Member, Vice President; Rockbridge Growth Equity, LLC, BBA.
- Curtis McCray: Member, 40 years' experience in higher education, PhD.
- Kevin Prokop: Member, founding Partner; Rockbridge Growth Equity, LLC, MBA.
- Karen Rizk: Vice Chair of the Board, Vice President of National Bank of Arizona; retired, BS in Finance.
- Barbara Ross-Lee: Member, oversees New York College of Osteopathic Medicine at New York Institute of Technology, DO.
- John Schnabel: Member, Partner; Falcon Investment Advisors, LLC, MBA.
- Bill Whittington: Member, 35 years' experience as practicing attorney with the Law Firm of Boyle, Pecharich, Cline, Whittington, & Stallings, Member; Yavapai County Bar Association, JD.

*Physical Facilities:* Not applicable for a distance education program provider.

*Accreditation:* Northcentral University is regionally accredited by the Western Association of Schools and Colleges, Senior College and University Commission (WASC). WASC is recognized by the federal Department of Education. The University also maintains specialized accreditation from the Teacher Education Accreditation Council, Accreditation Committee, which is recognized by the federal Department of Education. The University also holds programmatic accreditation from the Commission on Accreditation for Marriage and Family Therapy Education (COAMFTE) for its Master of Arts in Marriage and Family Therapy degree program, a requirement of Iowa administrative rules for persons seeking a professional licensure to practice as a Marriage and Family Therapist in Iowa.

*Federal Stafford Loan Cohort Default Rate (FFY 2012):* 4.7%

For comparison purposes, the FFY 2012 national average cohort default rate is 11.8%.

*Graduation Rate:* This is the percentage of first-time, full-time undergraduate students who graduated within 150% of the normal time for program completion, as reported by the University to the federal Department of Education on the *College Navigator* website. The University has no reported graduation rate since it did not admit full-time, first-time undergraduate level students in the cohort year on which the undergraduate graduation rate is based.

However, the University does report, as part of federally-mandated gainful employment disclosures, the number of the University's students who completed their programs of study in 2014 are:

- Baccalaureate Degree Programs: 32
- Master Degree Programs: 331
- Certificate Programs: 25
- Doctoral Programs: 166
- Grand Total: 554

*Average Loan Debt Upon Graduation:* \$27,607 (institution-wide).

*Record Preservation:* Academic records for all students and graduates of Northcentral University are kept electronically via the University's Compass Database. The information documented includes the student's program information, courses and grades, the status of graduation, completion, withdrawal, and/ or dismissal. Academic transcripts are generated from this system are maintained indefinitely. In case of loss, backup protocols for recovery are in place. In the event of the closure of the University, the Arizona State Board for Private Postsecondary Education will preserve the University's student records, per Arizona rules R4-39-402. These rules call for an Arizona-licensed school, such as the University, to submit to the Arizona State Board legible copies of all required student records within 15 calendar days after ceasing operation.

*Transcript Requests:* Any current or former student may request a transcript by contacting:

Office of the Registrar  
Northcentral University  
8667 East Hartford, Suite 100  
Scottsdale, AZ 85255  
(928) 515 – 5654  
[transcriptreq@ncu.edu](mailto:transcriptreq@ncu.edu)  
[http://www.ncu.edu/sites/default/files/transcript\\_request.pdf](http://www.ncu.edu/sites/default/files/transcript_request.pdf)

*Instructional Methodology:* Students and faculty interact one-on-one in the University's distance learning environment. Northcentral University uses a personalized teaching model wherein students and faculty interact asynchronously during a course to achieve learning outcomes. Faculty members respond to each student's work individually within a specific time period (for example, 4 days for standard course activities). Faculty members function as instructors, facilitators, guides, consultants, and evaluators.

Course interaction occurs through Compass, a proprietary course management system. The University uses asynchronous computer-mediated communications in primarily text-based courses. Students and faculty communicate using Northcentral University's Message System and the Course Page, thereby avoiding spam and viruses. The messaging system tracks student-faculty interaction. Additional interaction may occur via telephone, external e-mail, chat, Skype, or video conferencing. Discussion boards are available in each course where student can ask questions and connect with fellow students.

All degree programs include a set of fundamental courses and a set of related specialization courses allowing the student to select coursework closely associated with their educational and career goals. Students complete a degree plan, guided by faculty and supported by traditional texts, technology, and electronic resources and databases.

*Student Learning Resources:* Students are provided access to multiple learning resources including a library, virtual bookstore, writing center, dissertation center, and academic advisors.

The University's Library is available to students 24 hours per day, seven days per week. The Library offers students searchable databases containing full-text articles and abstracts of leading publications in fields relevant to all degree programs. Additionally, one of the services offered through the Library is the Interlibrary Loan. Interlibrary Loan gives students access to publications from hundreds of libraries nationwide. The Library does maintain librarians which are available to assist students in navigation of the Library's services and resources. Reference questions may be submitted online to "Ask a Librarian" via e-mail, chat, or by phone and are answered on a first-come, first-serve basis. Reference questions are handled in a 24-48 hour period, excluding weekends and holidays.

The University's virtual bookstore allows students to easily locate the textbooks which are necessary for their specific course by searching for the textbook using their course number. Students may conveniently and instantly pay online. The bookstore also has a large inventory of used books which are available at a lower cost to the student. Additionally, the University buys back many textbooks upon completion of the course. Textbooks and course materials are shipped directly to students via Fed EX, UPS, or the U.S. Postal Service.

*Academic Success Center (ASC):* The ASC is designed to help students gain knowledge and skills to communicate effectively while adhering to the American Psychological Association (APA) editorial style, the standard used for scholarly writing at Northcentral University. Students may obtain support materials and receive writing assistance. ASC maintains Academic Coaches who can provide students with aid in learning the skills and attitudes needed for program success in addition to learning content. In addition to the ASC, the University maintains a Dissertation Center. The Dissertation Center is available to students to assist them in developing a high quality dissertation. The Dissertation Center provides access to style guides and a general overview of dissertation structure. There is also a section for each school of the University with specific updates and helpful information.

*Curriculum Evaluation and Development:* Faculty involvement in governance is structured around a democratically elected Faculty Senate. Additionally, faculty members serve on the Adjunct Councils, the Academic Affairs Committee and its subcommittees for Assessment and Curriculum. Through these governance structures, faculty exercise oversight of curriculum, expectations for student performance, assessment, establishment of academic credentials for instructional staff, and service to the University.

The Subcommittee of the Academic Affairs Committee's purpose is to recommend curriculum changes and syllabi revisions as necessary, as well as to direct, oversee and report on all learning outcomes and academic program review activities undertaken at Northcentral University. This Subcommittee reports at least quarterly to the Academic Affairs Committee, and keeps detailed minutes and other records of its activities. The members of this Subcommittee include: Chair appointed by the Provost, School Deans or salaried faculty

designees, Dean of the Graduate School or full-time faculty designee, Program Chairs or designees, Director of Center for Academic Excellence or designee, Director of Office of Institutional Effectiveness, Research and Planning or designee, and the Provost (ex-officio).

The Academic Affairs Committee's (AAC) purpose is to provide advice, counsel, direction, and decision-recommendations for all academic matters for Northcentral University. All AAC policies are forwarded to the Senior Leadership Team for final consideration. The Committee is chaired by the Provost or their designee and is required to meet at least six times per year. Minutes of all meetings are maintained by the Office of the Provost. Members of this Committee include: Program Chairs, Senior Director of Assessment and Institutional Research, Associate Dean of the Center for Faculty Excellence, Director of Instructional Design, Director of Library Services, Registrar, Vice President of Financial Services, Vice President of Financial Services, Director of Policy and Strategy Management, Controller, one Assistant Dean from each School of the University, two full-time faculty members from each School, and one part-time or adjunct faculty member from each School. The Provost votes only in circumstances in which voting on an issue is tied. Faculty may also convene through the monthly or quarterly faculty meetings held by their respective School.

*Student Complaints Process:* Students are encouraged to attempt to resolve all issues with their Academic Advisor. This procedure supports timeliness, quality, accountability, and ensures that the appropriate institutional levels are involved to resolve matters in an efficient and effective manner. Additionally, it allows those closest to the problem the ability to extend the highest levels of support services.

Academic Advisors will coordinate and collaborate with required team members in pursuit of a student's required response. This ensures that the process is in accordance with policy and reviewed by the necessary parties required to properly address the issue at the appropriate institutional level. The following are the levels at which the complaint procedure should take place and escalate:

- First Level: Academic Advisor/ Financial Services Advisor/ Faculty
- Second Level: Academic Liaison/ Associate Director of Student Services
- Third Level: Director of Student Services/ Senior Director of Student Services
- Fourth Level: Ombudsman or Legal Affairs (depending on the nature of the issue)
- Fifth Level: Grievance – formal complaint which has not been resolved at other levels within the University.

Formal Grievances are reviewed by the Provost and are considered final. Students may file a grievance through their academic advisor if all other steps noted above have been attempted without appropriate resolution. The formal grievance must include the following: the complaint, all methods of resolution that have been attempted, description of events leading to the grievance, and remedy or resolution being requested.

Students may file a complaint with the Arizona State Board for Private Postsecondary Education. The student must contact the Board directly for further details. Students may also file a complaint with their State Agency, whose contact information is located at <http://www.ncu.edu/corporate-information/privacy-statement-and-consumer-information/student-grievance-contact-information>.

## Distance Education Programs Offered In Iowa

The total, estimated cost of tuition and fees for each program the University offers is listed below. These costs include registration, dissertation, technology, online instruction, mentoring and tutoring, online library resources, and graduation fees. The program cost estimates below do **not** include books, which students purchase separately, allowing them to locate the lowest prices available.

### *Baccalaureate Degree Programs:*

- Bachelor of Business Administration: \$26,270
- Bachelor of Education: \$14,410
- Bachelor of Arts in Psychology: \$26,270

### *Post-Baccalaureate Certificate Programs*

- Post-Baccalaureate Certificate in Business: \$9,626
- Post-Baccalaureate Certificate in Education: \$7,526
- Post-Baccalaureate Certificate in Psychology: \$9,374
- Post-Baccalaureate Certificate in Marriage and Family Therapy: \$10,526

### *Master Degree Programs*

- Master of Business Administration: \$23,540
- Master of Education: \$18,290
- Master of Arts in Psychology: \$27,422
- Master of Science in Organizational Leadership: \$24,360
- Master of Arts in Marriage and Family Therapy: \$38,510

### *Post-Master's Certificate Programs*

- Post-Master's Certificate in Business: \$16,658
- Post-Master's Certificate in Education: \$16,586
- Post-Master's Certificate in Psychology: \$17,756
- Post-Master's Certificate in Marriage and Family Therapy: \$17,504

### *Doctoral Degree Programs*

- Doctor of Business Administration: \$49,274
- Doctor of Philosophy in Business Administration: \$61,910
- Education Specialist Doctoral Degree: \$28,367
- Doctor of Education: \$49,058
- Doctor of Philosophy in Organizational Leadership: \$68,490
- Doctor of Philosophy in Education: \$61,910
- Doctor of Philosophy in Psychology: \$58,370
- Doctorate of Marriage and Family Therapy: \$65,010
- Doctor of Philosophy in Marriage and Family Therapy: \$66,107

The University's Marriage and Family Therapy programs are accredited by the Commission on Accreditation for Marriage and Family Therapy Education (COAMFTE), and the programs follow COAMFTE's Marriage and Family Therapy Educational Guidelines. Iowa Board of Behavioral Science Examiners require that a Master's or Doctoral degree program in Marital and Family Therapy holds a minimum of 45 credit-hours from an accredited college or university, two years of supervised clinical experience, and that the student obtains a passing score set by the national exam service on the Examination in Marital and Family Therapy. The University's Master of Arts in Marriage and Family Therapy and Doctor of Philosophy in Marriage and Family Therapy programs comply with the Iowa Board of Behavioral Science Examiners guidelines.

*Field Experiences:* A number of the University's programs contain a field work requirement for the successful completion of that program. The following is a list of the programs which contain a field work requirement and a description of the field work:

- **Master of Arts in Marriage and Family Therapy:** This program contains two field experience requirements. The first requirement is 500 hours of direct client contact, which includes conducting face-to-face therapy with individuals, couples, families, and groups. At least 250 hours of client contact must be relational. In conjunction with client contact, students must receive a total of 100 hours of supervision, at least 50 of which will be face-to-face or live supervision conducted by an Approved Supervisor, Supervisor-in-Training, or equivalent state-approved supervisors. In some cases, students may be required to pay for local supervision. This will depend on the clinical placement location, local clinical placement, and/ or local supervisor they contract with to complete their practicum and internship requirements. Prior to the start of any clinical experience, students must obtain proof of professional liability insurance. In conclusion, students are required to complete their face-to-face clinical training and a 12 month internship.
- **Doctor of Philosophy in Marriage and Family Therapy:** This program contains a practicum and doctoral internship requirement. Students are able to complete the internship and practicum requirement in their local area with a face-to-face clinical experience with a qualified supervisor. The Director of Clinical Field Placements as well as other appropriate faculty and staff work with students to arrange and secure a local site. Students will complete a nine-month internship.

## **Registration Compliance**

As required by Iowa Code Section 261B.4, Northcentral University developed an institutional policy on refunding tuition charges for withdrawn students that meets the requirements of Iowa Code Section 714.23. The policy is disclosed to Iowa resident students in the student's Enrollment Agreement, a sample of which was provided to staff for review.

Administrative rules specifically require the school to comply with the requirements of Chapter 261.9(1) "e" through "h".

- Iowa Code Section 261.9(1)(e) requires a school to maintain and disseminate a drug and alcohol abuse policy that includes sanctions for violation of the school's policy and information about the availability of drug or alcohol counseling or rehabilitation. Iowa Code Section 261.9(1)(f) requires a school to maintain and disseminate a sexual abuse policy

that includes information about counseling opportunities and reporting instances of sexual abuse to school officials and law enforcement. These requirements duplicate policies and disclosures required by the federal Department of Education for a school that participates in the federal student aid programs. Northcentral University complies with the requirements of Iowa Code Section 261.9(1)(e) and (f) in the context of a 100% virtual classroom environment, and will disclose these policies to students in its student Code of Conduct, Student Consumer Information, its Course Catalog, as well as the following locations on its website:

- ✓ <http://www.ncu.edu/corporate-information/code-of-conduct-policy>
- ✓ <http://www.ncu.edu/northcentral-global/consumer-information/alcohol-and-drug-policy>
- ✓ [http://learners.ncu.edu/public\\_images/Northcentral%20University%20Catalog/Northcentral\\_University\\_Catalog.htm](http://learners.ncu.edu/public_images/Northcentral%20University%20Catalog/Northcentral_University_Catalog.htm)

- Iowa Code Section 261.9(1)(g) requires a school to maintain a special policy concerning institutional charges for members of the Iowa National Guard or reserve members of the U.S. Armed Forces, or the spouse of such a member if the member has a dependent child, when the service member or spouse must withdraw from the school because the service member has been called to active (Iowa) state or federal military duty or service. The University discloses this policy to its Iowa resident students in its Enrollment Agreement, a sample of which was provided to the College Aid Commission.
- Iowa Senate File 2225 created a new Iowa Code Section 261.9(1)(h). This new law, generally effective July 1, 2012, requires a school to develop and implement a policy for employees who, in the course of their employment, attend, examine, counsel, or treat a child and who suspect the physical or sexual abuse of that child. By cross-reference from existing administrative rules for registration [283-21.2(261B), subsection 7], this new policy now applies to Iowa's registered, distance education program providers who have compensated parties working remotely for the school from an Iowa location. The University maintains a compliant policy in its Code of Conduct Policy, located at <http://www.ncu.edu/corporate-information/code-of-conduct-policy>.

*Student Consumer Information:* In its registration application, Northcentral University affirms its willingness to comply with the requirements of Iowa Code Chapter 261.9, as stipulated by Iowa Code Section 261B.4(8). Chapter 261.9 requires disclosure to students of information about the school's programs, charges, tuition refund policies, whether a certificate or diploma awarded by the school is applicable toward a degree program the school offers, and the identity of the school's accrediting agency. These disclosures are duplicative of the federal Department of Education's student consumer information disclosure requirements for a school that participates in the federal student aid programs. The University provides these disclosures in multiple locations on its web site, including in its catalog, program descriptions, "About Us" web page, and in the student's Enrollment Agreement. The locations at which this information is included on the University's website include:

- <http://www.ncu.edu/schools>
- <http://www.ncu.edu/tuition-and-admissions/tuition>
- <http://www.ncu.edu/why-northcentral/accreditation>
- [http://learners.ncu.edu/public\\_images/Northcentral%20University%20Catalog/Northcentral\\_University\\_Catalog.htm](http://learners.ncu.edu/public_images/Northcentral%20University%20Catalog/Northcentral_University_Catalog.htm)

In its registration application, the University affirms that it will comply with the provisions of Iowa Code Section 261B.7. These provisions of Iowa Code state that the school may not claim Commission “approval” or “accreditation,” but must disclose to students that it is registered by the Commission and provide Commission contact information for students who have questions or complaints about the school. The University discloses this information on its website at, <http://www.ncu.edu/corporate-information/privacy-statement-and-consumer-information/student-grievance-contact-information>.

*Financial Responsibility:* Northcentral University submitted a copy of an independent audit conducted by Crowe Horwath LLP, dated April 13, 2015, for the institutional fiscal year that ended on December 31, 2014 and 2013. The auditors stated their opinion that the institution’s consolidated financial statements presented fairly, in all materials respects, the University’s financial position.

- A for-profit institution that participates in the federal student aid programs must maintain a composite score, based on a three factor financial responsibility ratio, of at least 1.5 in order to be determined “financially responsible” without additional oversight. Staff did not find that the independent auditing firm tested or reported the University’s calculated composite score. The most recent composite score reported by the federal Department of Education for the University was 0.2. On October 4, 2012, the federal Department of Education recertified the University to continue participation in the federal student aid programs based on a letter of credit the federal Department of Education required the University to obtain in the amount of \$4,579,876. Effective September 26, 2014, the University amended its letter of credit to a total of \$9,158,764. The Federal Student Aid Program Participation Agreement is effective through June 30, 2018, at which point the University must reapply with the United States Department of Education.
- A for-profit institution is prohibited from deriving more than 90% of its revenue from Title IV aid. The independent auditing firm did test and report the University’s 90/10 ratio for the institutional fiscal year ending December 31, 2014: 76.81%.

*Full-Time Iowa Resident Faculty Member or Program Coordinator:* Administrative rules effective January 15, 2014, no longer require a school that applies for registration to provide programs via distance education or another nontraditional format to employ a full-time, Iowa-resident faculty member or program coordinator. However, the University employs three full-time and one part-time faculty member who work remotely for the University from an Iowa location.

*Instructional/Supervisory Staff Qualifications:* The University submitted the credentials for 552 faculty members who provide instruction in the University’s distance education programs. 552 out of the 552 faculty members hold doctoral degrees in various fields. Those fields include: anthropology, business administration, computer science, education, engineering, family therapy, human development, information systems management, jurisprudence, management, marketing, philosophy, psychology, public administration, special education, social work, and statistics.

*Commitment to Iowa Students and Teach-Out:* By executing an electronic signature on the registration application, Northcentral University President and CEO, George A Burnett, committed to the delivery of programs the University offers and agreed to provide alternatives

for students to complete programs at the University or another school if the University closes a program, or if the University closes before students have completed their courses of study.

*Student Complaints:* None.

#### **Compliance with Iowa Code Chapter 714**

##### *Section 714.18 – Evidence of Financial Responsibility*

Northcentral University has filed satisfactory evidence of financial responsibility under Iowa Code Section 714.18. The University has obtained a continuous corporate surety bond in the amount of \$50,000 payable to the State of Iowa and issued by Westchester Fire Insurance Company effective through April 8, 2017.

##### *Section 714.23 – State Tuition Refund Policy*

The University's tuition refund policy for Iowa resident students who withdraw from its distance education programs complies with the provisions of Iowa Code Section 714.23. See "Registration Compliance" above for more information.