

APPROVED
JUNE 13, 2017

Item #VI-9
June 13, 2017

**PROPOSED AMENDMENTS TO RULES:
PRIVATE BUSINESS AND VOCATIONAL SCHOOLS**

Submitted for: Action.

Summary: This item requests approval of the proposed amendments to the rules for the Private Business and Vocational Schools. On August 11, 2015, the Board established by vote the Ad Hoc Academic Affairs Committee which had the charge “to consider Illinois Board of Higher Education (IBHE) oversight of postsecondary institutions in an era of diminishing State resources that support the regulatory and other critical functions of the Academic Affairs division of the IBHE.” Membership included Teresa Garate, Jane Hays, Alice Marie Jacobs, and Christine Wiseman, who conferred with Academic Affairs staff. Staff reviewed Code line by line and suggested amendments to the Ad Hoc Committee and incorporated their directives in further updating the Code. The objectives of review of multiple Code included: alignment, where relevant, across Code governing Academic Affairs oversight of public degree-granting institutions, non-public degree-granting institutions, and non-degree institutions; alignment across long-standing and new mandates (examples of the latter including Illinois participation in the State Authorization Reciprocity Agreement and implementation of the Dual Credit Quality Act); recognition of changes in higher education, such as expansion of competency-based learning and growing importance of non-degree completion credentials; and updating fees structures to effectively support the work of the IBHE in the current era. Stakeholders were engaged through meetings and webinars. The Private Business and Vocational Schools Advisory Council, the Proprietary Advisory Committee, the Faculty Advisory Council, the public institutions’ Academic Leadership group, and members of the Federation of Independent Illinois Colleges and Universities were all consulted and provided opportunity to provide feedback. The Office of the Illinois Attorney General and staff of the Illinois Community College Board were given the opportunity to provide feedback.

The Illinois Administrative Procedures Act specifies a three-step process for the proposal and adoption of administrative rules: (1) initial Board approval; (2) a publication and public notice period

including a period for review by the staff and members of the legislative Joint Committee on Administrative Rules; and (3) final adoption by the Board.

Action Requested:

That the Illinois Board of Higher Education approves the proposed rule amendments to Private Business and Vocational Schools (23 Ill. Admin. Code 1095) for publication in the Illinois Register.

STATE OF ILLINOIS
BOARD OF HIGHER EDUCATION

**PROPOSED AMENDMENTS TO RULES:
PRIVATE BUSINESS AND VOCATIONAL SCHOOLS**

This item requests approval of the proposed amendments to the Illinois Board of Higher Education rules for Private Business and Vocational Schools.

On August 11, 2015, the Board established by vote the Ad Hoc Academic Affairs Committee which had the charge “to consider Illinois Board of Higher Education (IBHE) oversight of postsecondary institutions in an era of diminishing State resources that support the regulatory and other critical functions of the Academic Affairs division of the IBHE.” Membership included Teresa Garate, Jane Hays, Alice Marie Jacobs, and Christine Wiseman, who conferred with Academic Affairs staff. Staff met in person or remotely, by phone or webinar, on February 10, 2016, March 24, 2016, July 6, 2016, November 11, 2016, and April 26, 2017. Staff reviewed Code line by line and suggested amendments to the Ad Hoc Committee and incorporated their directives in further updating the Code. The objectives of review of multiple Code included: alignment, where relevant, across Code governing Academic Affairs oversight of public degree-granting institutions, non-public degree-granting institutions, and non-degree institutions; alignment across long-standing and new mandates (examples of the latter including Illinois participation in the State Authorization Reciprocity Agreement and implementation of the Dual Credit Quality Act); recognition of changes in higher education, such as expansion of competency-based learning and growing importance of non-degree completion credentials; and updating fees structures to effectively support the work of the IBHE in the current era.

The Private Business and Vocational Schools Advisory Council, the Proprietary Advisory Committee, the Faculty Advisory Council, the public institutions’ Academic Leadership group, and members of the Federation of Independent Illinois Colleges and Universities were all consulted and provided opportunity to provide feedback. The Office of the Illinois Attorney General and staff of the Illinois Community College Board were given the opportunity to provide feedback.

Major proposed amendments to 23 Ill. Adm. Code 1095 include:

- Streamlining of key processes, such as procedures for obtaining approval;
- Establishment of appropriate requirements related to Academic Records;
- Clarification of appropriate institutional governance;
- Clarification of use of the term “tuition;” and
- Updated fees schedule which:
 - Includes penalties for noncompliance.
 - Increases modestly the fees that were established in 2012.

Once approved by the Illinois Board of Higher Education, the proposed amendments to the rules will be submitted to the Secretary of State for publication in the *Illinois Register*. The Illinois Administrative Procedures Act specifies a three-step process for the proposal and adoption of administrative rules: (1) initial Board approval; (2) a publication and public notice period including a period for review by the staff and members of the legislative Joint Committee on Administrative Rules; and (3) final adoption by the Board. Final presentation is scheduled for the December 2017 Board meeting.

Attachment 1 provides only the sections with proposed amendments in strikeout and underline.

Attachment 2 provides the administrative rule with the proposed amendments without markups.

Staff Recommendation

Staff recommends the adoption of the following resolution:

The Illinois Board of Higher Education hereby approves the proposed amendments to the rules for the Private Business and Vocational Schools) (23 Ill. Adm. Code 1095) as detailed in the attached document for publication in the Illinois Register.

ATTACHMENT 1:

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23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER II: BOARD OF HIGHER EDUCATION

PART 1095

PRIVATE BUSINESS AND VOCATIONAL SCHOOLS

SUBPART A: SCHOOL APPROVAL

Section

1095.10	Introduction
1095.20	Institutions Required to Receive Approval
1095.30	Definitions
1095.40	Criteria for Evaluation of the Application for a Permit of Approval
1095.50	Procedures for Obtaining a Permit of Approval
1095.60	Criteria for Evaluation of the Application for a New Program
1095.70	Requirements for Technologically Mediated Instruction Offered from a Distance
1095.80	Procedures for Obtaining Approval to Offer One or More New Certificates
1095.90	Change of Location
1095.100	Classroom Extension
1095.110	Change of Ownership
1095.120	School Application and Renewal Fees

SUBPART B: MAINTENANCE OF APPROVAL

Section

1095.200	Annual Renewal
1095.210	Surety Bond
1095.220	Liability Insurance
1095.230	Lack of Compliance
1095.240	Disclosures
1095.250	Student Complaints
1095.260	Cease and Desist Orders
1095.270	School Closing and Student Transcripts

AUTHORITY: Implementing and authorized by the Private Business and Vocational Schools Act of 2012 [105 ILCS 426].

SOURCE: Emergency rules adopted at 36 Ill. Reg. 3067, effective February 8, 2012, for a maximum of 150 days; emergency expired July 6, 2012; adopted at 36 Ill. Reg. 12262, effective July 18, 2012; amended at 41 Ill. Reg. _____, effective _____.

SUBPART A: SCHOOL APPROVAL

ATTACHMENT 1:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

Section 1095.30 Definitions

"Ability to benefit" means a standard for admission by which a student who does not possess a high school diploma or GED has demonstrated that he or she can profit materially or personally from a certain course of study through passage of an ability to benefit test or alternative pathways that have been approved by the U.S. Department of Education and administered in compliance with U.S. Department of Education guidelines related to ability to benefit test policies and procedures outlined in federal financial aid regulations. (See 34 CFR 668.145 and 668.152.)

"Act" means the Private Business and Vocational Schools Act of 2012 [105 ILCS 426].

"Board" means the Board of Higher Education established under the Board of Higher Education Act [110 ILCS 205] or its Division of Public Business and Vocational Schools (Section 15 of the Act). In those cases in which the term is used to refer to prior approval or lack of prior approval for a school application prior to February 1, 2012, the term "Board" shall mean the State Board of Education or State Superintendent of Education.

"Certificate of completion" or "certificate" means any designation, appellation, series of letters or words, or other symbol that signifies or purports to signify that the recipient thereof has satisfactorily completed a private business and vocational school's program of study that is beyond the secondary school level, but not a post-secondary degree program at the associate, baccalaureate, master's, doctoral, or post-baccalaureate, professional degree level. (Section 15 of the Act)

"Chief managing employee" is the individual who is the head administrator or supervisor at a school's principal location. (Section 15 of the Act)

"Classroom extension" means the school has existing approval or is seeking additional Board approval to offer an existing program of study at a location other than the school's principal location.

"Educational institution" or "institution" means an organization that promotes business and vocational education, even though the institution's principal effort may not be exclusively educational in nature. (Section 15 of the Act)

"Enrollment agreement" means any agreement or instrument, however named, that creates or evidences an obligation binding a student to purchase a program of study from a school. (Section 15 of the Act)

"Faculty" means any individual or group of individuals who are qualified by education and experience to give expert instruction and evaluation in their specialties, to supervise curricular experiences, and to evaluate learning for credit.

ATTACHMENT 1:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

"Institution size" means the total number of students enrolled in the school during a fiscal year (i.e., July 1 to June 30 of the following year).

"Mediated instruction" means, for the purposes of this Part, the delivery of instruction from a distance facilitated by technology, such as via teleconferencing, video-conferencing, or internet.

"Non-degree program of study" or "program of study" means any designation, appellation, series of letters or words, or other symbol that signifies or purports to signify that the recipient has satisfactorily completed an organized academic program of study beyond the secondary school level, such as a certificate, but below the associate's degree level and that does not include any recognized degree program such as an associate's, baccalaureate, master's, or doctoral degree, a post-baccalaureate, professional degree, or a post-degree certificate, such as a post-baccalaureate certificate, post-master's certificate, or post-doctoral certificate. (Section 15 of the Act)

"Out-of-state school" means an institution described in this Part that is not otherwise exempted from approval and meets one of the following:

Private corporation, limited liability company, or other entity that is initially incorporated or organized under domestic laws other than the laws of this State, if required, and initially operated outside the State; or

Not-for-profit corporation, limited liability company, or other entity that maintains its primary place of business or home office outside this State.

"Permit of approval" means a non-transferable permit, issued by and pursuant to the authority of the Board of Higher Education through its Division of Private Business and Vocational Schools to a private business and vocational school in the name of the school, that authorizes the school to solicit students and to offer and maintain one or more courses of instruction in compliance with the provisions of the Act and such standards and rules as may be adopted by the Board in this Part. (Section 15 of the Act)

"Program of study" as used in this definition means any academic program beyond the secondary school level, except for a program that is devoted entirely to religion or theology, a program offered by an institution operating under the authority of the Private College Act, the Academic Degree Act, or the Board of Higher Education Act, or a program of study of less than one year in length operating under the statutory authority granted to the Department of Financial and Professional Regulation. (Section 15 of the Act)

"Tuition" means, solely for the purposes of this Part, the total student-cost of the course of instruction and all other fees for services and facilities furnished or made available to

ATTACHMENT 1:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

the student by or through the school and/or third parties including, without limitation, corporate partners or donors, in connection with the a student's matriculation and study and completion of a non-degree program of study, including all charges or expenditures made by the school and/or third parties including, without limitation, corporate partners or donors, for tuition, room and board, books, materials, supplies, laboratory, shop and studio fees, and other expenses.

"Unearned prepaid tuition" means the amount paid to the school by a student or on behalf of a student for which educational services have not yet been rendered. For example, a student pays a school the total amount of \$500 dollars prior to the first day of class. In this scenario, the school initially holds \$500 in unearned prepaid tuition from that student. After 10% of the course is completed, the school will hold \$450 in unearned prepaid tuition from that student. After 20% of the course is completed, the school will hold \$400 in unearned prepaid tuition from that student and so on.

(Source: Amended at 41 Ill. Reg. _____, effective _____)

Section 1095.40 Criteria for Evaluation of the Application for a Permit of Approval

The Board shall approve all schools described in Sections 1095.20(a) and (b) that are not otherwise exempted in Section 1095.20(d). *The following standard criteria are intended to measure the appropriateness of the stated educational objectives of the educational programs of a given institution and the extent to which suitable and proper processes have been developed for meeting those objectives. Information related to the satisfaction of the approval criteria outlined in Section 35 of the Act and this Part must be supplied to the Board by institutions on forms provided by the Board. Additional information may be requested by the Board to determine the institution's ability to satisfy the criteria.* (Section 35 of the Act)

a) *Qualifications of Governing Board Members, Owners, and Senior Administrators At a minimum, these individuals must be of good moral character and have no felony criminal record.* (Section 35 of the Act)

1) Governing Board Members, Owners, and Senior Administrators have not been involved with a postsecondary educational institution which had institutional authorization to operate in a state revoked during the past 7 years.

2) Governing Board Members, Owners, and Senior Administrators have not controlled, managed, or been involved with a postsecondary educational institution that has ceased operation during the past 7 years which did not provide for the completion of programs by its students, did not provide tuition refunds, and/or resulted in the loss of time or money for enrollees.

3) Governing Board Members, Owners, and Senior Administrators have not knowingly falsified or withheld information from oversight agencies.

ATTACHMENT 1:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

4) Governing Board Members, Owners, and Senior Administrators have not plead guilty or had a felony conviction involving moral turpitude, fraud, or a capital crime.

b) *Qualifications of Faculty and Staff* (Section 35 of the Act)

- 1) The education, experience and other qualifications of faculty, staff and instructors shall reasonably ensure that the students will receive education consistent with the objectives of the program of study.
- 2) The faculty, staff and instructors of the school shall be of good professional reputation and character.
- 3) Schools are required to submit faculty credentials required for teaching a program of study as part of the submission for institution's approval. Faculty do not have to be approved by the Board prior to the start of the instructional period. Individual faculty hires and their appropriate qualification will be submitted by the institution during designated reporting periods and need not be submitted prior to teaching the course. Failure to hire faculty according to the credentials outlined by the institution may be grounds for revocation of the permit of approval.

c) *Demonstration of Student Learning and Quality of Program Delivery* (Section 35 of the Act)

- 1) Schools must show the capacity to develop, deliver and support academic programs. Procedures and policies that will assure the effective design, conduct and evaluation of the certificate program under the academic control of the school must be developed. Assessment plans must demonstrate that the school has identified clear and appropriate program and student learning goals and must have defined appropriate outcomes. Appropriate data must be collected and may be requested by the Board to show the level of student learning that has occurred as a result of participation in the school's programs of study.
- 2) Adequate records shall be maintained by the school to show attendance, progress or grades, and consistent standards should be enforced relating to attendance, progress and performance.
- 3) Upon satisfactory completion of the program of study, the student shall be given the appropriate certificate by the institution, indicating that a specifically approved course of instruction or study has been satisfactorily completed by the student.

ATTACHMENT 1:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

- d) *Sufficiency of Institutional Finances* (Section 35 of the Act)
The school should be financially stable and capable of assuring the revenues needed for meeting stated objectives and fulfilling commitments to students.
- e) *Accuracy, Clarity, and Appropriateness of Program Descriptions*
Institutional promotional, advertising, and recruiting materials must be clear, appropriate, and accurate. (Section 35 of the Act)
- 1) *Prior to the issuance of a permit of approval by the Board, no person or organization shall advertise a school or any program of study or solicit prospective students unless the person or organization has applied for and received from the Board authorization to conduct that activity. If the Board has authorized the activity, all advertisements or solicitations must reference the Board's approval by stating that the school is approved by the "Division of Private Business and Vocational Schools of the Illinois Board of Higher Education".* (Section 65 of the Act)
- 2) Schools are required to submit information about the recruiting process and the information provided to students as a part of the submission for the school's approval. Individual recruiters do not have to be approved by the Board prior to the start of the employment period. Individual recruiters hired and their appropriate qualifications will be submitted by the institution during designated reporting periods and need not be submitted prior starting employment. The actions of the recruiters are the responsibility of the institution. Failure to adhere to the information about the recruiting process and the information provided to students outlined by the institution in the application process may be grounds for revocation of the permit of approval.
- 3) The Board, at any time, may require that a school furnish proof to the Board of any of its advertising claims. If proof acceptable to the Board cannot be furnished, a retraction of the advertising claims, published in the same manner as the claims themselves, must be published by the institution and continuation of that advertising shall constitute cause for revocation of the institution's permit of approval.
- 4) For schools requiring approval, the objectives for the school and its programs of study must be consistent with what the school name and program titles imply.
- A) The term "university" shall only be used in the name of an institution of higher education when the institutional structure includes two or more distinct colleges (e.g., College of Business, College of Education, and College of Liberal Arts and Sciences) providing instruction at the baccalaureate and graduate levels, and is involved in public service activities, scholarship and research.

ATTACHMENT 1:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

- B) The term "college" shall only be used to refer to a school providing instruction at the postsecondary level.
 - C) Program names shall adhere to the Classification of Instructional Programs (CIP) developed by the National Center for Educational Statistics.
- f) *Sufficiency of Facilities and Equipment*
At a minimum, these must be appropriate and must meet applicable safety code requirements and ordinances. (Section 35 of the Act)
- 1) The school shall have adequate and suitable space, equipment and instructional materials to provide education of suitable quality.
 - 2) The school shall be maintained and operated in compliance with all pertinent local, State and national ordinances and laws.
- g) *Fair and Equitable Refund Policies*
At a minimum, these must be fair and equitable, must satisfy any related State or federal rules, and must abide by the standards established in the Act and this Part. (Section 35 of the Act)
- 1) *The Board shall establish minimum standards for a fair and equitable refund policy that must be applied by all institutions subject to the Act (Section 60 of the Act).*
 - 2) *The same refund policy must be applied to all students even if they are not eligible for federal financial aid (Section 60 of the Act).*
 - 3) *Schools that are accredited by an accrediting body recognized by the U.S. Department of Education and approved to participate in offering Federal Title IV student financial aid may apply the required federal refund policy as long as the same policy is applied to all students even if they are not eligible for federal financial aid (Section 60 of the Act).*
- h) *Appropriate and Ethical Admissions and Recruitment Practices*
At a minimum, recruiting practices must be ethical and abide by any State or federal rules. (Section 35 of the Act)
- 1) Neither the school nor its agents shall engage in advertising, sales, collection, credit or other practices of any type that are false, deceptive, misleading or unfair.

ATTACHMENT 1:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

- 2) Schools and agents shall not:
 - A) Use a photograph or other such illustration in public documents, sales literature or otherwise in such a manner as to convey a false impression as to size, importance or location of the institution or equipment and facilities associated with the institution;
 - B) Make a deceptive statement concerning other institutional activities in attempting to enroll students;
 - C) Quote a dollar amount, other than the average starting salary for all school graduates employed during the most recent reporting period as specified in Section 1095.240 (d) pursuant to Section 37 of the Act, in any advertisement as representative or indicative of the earning potential of graduates;
 - D) State or represent that students will be guaranteed employment while enrolled in the institution or that employment will be guaranteed for students after graduation;
 - E) Misrepresent opportunities for employment upon completion of any program of study;
 - F) State or represent that the programs and/or courses or exams are transferable to another institution without current documentation by an authorized official of the receiving institution.
- i) *Recognized Accreditation Status*
Accreditation with an accrediting body approved by the U.S. Department of Education may be counted as significant evidence of the institution's ability to meet curricular approval criteria. (Section 35 of the Act)
 - 1) Any school applying for a permit of approval in the State of Illinois must specify its accreditation status.
 - 2) The school must have the appropriate accreditation if the school offers a program in which professional qualification in a field is necessary for a graduate to obtain employment.
 - 3) In the case of a program requiring accreditation pursuant to Section 1095.40(i)(2), an institution without accreditation from an accrediting authority recognized by the U.S. Department of Education or the Council for Higher Education Accreditation shall provide a clearly defined plan to move from candidate to affiliate status. The plan should include the name of the accrediting

ATTACHMENT 1:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

organization, the basic outline of the accreditation process, and the projected time line for obtaining affiliate status within five years after the date of Board approval, unless the Board waives the original time line because it is found to be an unrealistic expectation.

- j) *Meeting Employment Requirements in the Field of Study* (Section 35 of the Act)
- 1) *The institution must clearly demonstrate how a student's completion of the program of study satisfies employment requirements in the occupational field. The information must be clearly and accurately provided to students.* (Section 35 of the Act)
 - 2) *If licensure, certification, or their equivalent is required of program graduates to enter the field of employment, the institution must clearly demonstrate that completion of the program will allow students to achieve this status.* (Section 35 of the Act)
- k) *Enrollment Agreements that Meet the Requirements Outlined in the Act and this Part* (Section 35 of the Act)
- 1) *A copy of the enrollment agreement must be provided to the Board. Enrollment agreements may be used by schools only if approved by the Board.* (Section 40 of the Act)
 - 2) *The Board shall develop a standard enrollment agreement for use by schools approved or seeking approval under the Act and this Part. Schools may create an enrollment agreement that meets the minimum requirements of this Section and this Part, but it must be approved by the Board prior to implementation.* (Section 40 of the Act)
 - 3) Enrollment agreements shall include, at a minimum, the following:
 - A) *A clear description of costs, refund policies, program information and all disclosures required by the Act* (Section 40 of the Act);
 - B) *The Board's Internet website, the address and phone number of the Board for students to report complaints, and any additional information the Board may require by rule* (Section 40 of the Act);
 - C) An explanation of all criteria and requirements for retention, progress towards certificate, and graduation of the student;
 - D) The institution's tuition, cancellation and refund policies; ~~and~~

ATTACHMENT 1:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

- E) A statement of the purpose and amount of any fees assessed; and
 - F) Information on warning, probation, or any other type of conditional status from an accreditor, licensure body, certifying entity, or federal/state oversight agency.
- 4) If the school requires the student to sign an enrollment agreement or a similar type of agreement with a different title, the document must be distributed as follows:
- A) *The student must be given a copy of the enrollment agreement at the time the student signs that agreement and at the time of the agreement's acceptance, if those events occur at different times. (Section 40 of the Act)*
 - B) *The school shall retain a signed copy of the fully executed enrollment agreement as a part of the student's permanent record. (Section 40 of the Act)*
- 5) *No school may enter into an enrollment agreement in which the student waives the right to assert against the school or any assignee any claim or defense he or she may have against the school arising under the agreement. Any provisions in an enrollment agreement in which the student agrees to such a waiver shall be rendered void. (Section 40 of the Act)*
- 6) *No school may have an enrollment agreement that requires that a student register for more than a single semester, quarter, term, or other such period of enrollment as a condition of the enrollment nor shall any school charge a student for multiple periods of enrollment prior to completion of the single semester, quarter, term, or other such period of enrollment. (Section 35 of the Act)*
- 1) *Clearly Communicated Tuition and Fee Charges (Section 35 of the Act)*
- 1) *Tuition and fees and any other expense charged by the school must be appropriate to the expected income that will be earned by graduates. (Section 35 of the Act)*
 - 2) *No school may have a tuition policy that requires that a student register for more than a single semester, quarter, term, or other such period of enrollment as a condition of the enrollment nor shall any school charge a student for multiple periods of enrollment prior to completion of the single semester, quarter, term, or other such period of enrollment. (Section 35 of the Act)*

ATTACHMENT 1:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

- m) *Legal Action Against the Institution, Its Parent Company, Its Owners, Its Governing Board, or Its Board Members*
Any such legal action must be provided to the Board and may be considered as a reason for denial or revocation of the permit of approval. (Section 35 of the Act)
- n) Investigations and/or adverse actions by federal or state regulatory agencies, accrediting bodies, licensing boards, or certification entities against the Institution, Its Parent Company, Its Owners, Its Governing Board, or Its Board Members must be provided to the Board and may be considered as a reason for denial or revocation of the permit of approval.
- o) The school shall provide a current catalog or brochure, either in print or electronically, to each prospective student prior to enrollment. If a school maintains a website, the current catalog must appear on the website. Upon request, the school shall provide a catalog or brochure without gathering personal information from an individual unless that information is volunteered. The catalog or brochure shall contain the following:
- 1) Descriptions of the programs offered, program objectives, lengths of program and institutional calendars with program start and end dates;
 - 2) Schedule of tuition, fees and all other charges and expenses necessary for completion of the course of study, and cancellation and refund policies;
 - 3) Student success data as required pursuant to Section 37 of the Act and this Part and any data to satisfy Board reporting requirements;
 - 4) A statement of the institution's accreditation status with a U.S. Department of Education recognized accrediting body. If no such accreditation exists, the institution must prominently state this in its advertising and published materials;
 - 5) Statements regarding the transferability of a certificate to other institutions of higher education and the importance of consulting with institutions to which the student may seek to transfer;
 - 6) Evidence of articulation arrangements with institutional counterparts, when these arrangements exist; ~~and~~
 - 7) Other material facts concerning the institution and the program or course of instruction as are likely to affect the decision of the student to enroll, together with any other information specified by the Board and defined in this Part; and
 - 8) Information on warning, probation, or any other type of conditional status from an accreditor, licensure body, certifying entity, or federal/state oversight agency.

ATTACHMENT 1:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

(Source: Amended at 41 Ill. Reg. _____, effective _____)

Section 1095.50 Procedures for Obtaining a Permit of Approval

Each application required to be filed in accordance with the provisions of the Act and this Part must be accompanied by the required fee under the provisions of the Act and this Part, and all such applications must be made on forms prepared and furnished by the Board. (Section 20 of the Act)

- a) The school representatives shall complete the application supplied by the Board. The application requests information and supporting evidence to demonstrate that the school meets the criteria established.
- b) *If an applicant school has not remedied all deficiencies cited by the Board within 12 months after the date of its original application for a certificate of approval, an additional original application fee for the continued cost of investigation of its application is added. (Section 75(6) of the Act)*
- c) Following the receipt of the formal application, accompanying documentation, and applicable fee, staff will review and analyze all materials.
- d) If a completed original application is rejected, the Board shall:
 - 1) Issue a written response specifying the reason for the rejection; or
 - 2) Issue a permit of approval only after the reasons for rejecting the application have been removed.
- e) **If a school is in disagreement with the Board's findings regarding its original application, it may, within ~~60 business~~ 30 days after receipt of the application deficiency report, petition the Board in writing for a reexamination of the application. The petition shall include the reasons for disagreement with the findings, and documentation and exhibits supporting the school's contentions of approvability. If, based on the petition and reexamination of the application, the Board finds and issues a report stating that the school still has not fulfilled all requirements for approval, the school may make a written request within 30 business days after receipt of this report for an informal hearing to show why it believes it has satisfied all application requirements. The request will be granted within ~~30 business~~ 60 days after receipt of that request. If, as a result of the presentation by the applicant, the Executive Director determines that application deficiencies cannot be resolved, the Executive Director shall call for a hearing as provided in Section 85 of the Act, to refuse to issue a permit of approval; or if it appears that the school can resolve application deficiencies within the time limitations of subsection (b), the Executive Director shall allow the applicant to continue efforts to remove application deficiencies, subject to subsection (b) of this Section.**

ATTACHMENT 1:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

(Source: Amended at 41 Ill. Reg. _____, effective _____)

Section 1095.80 Procedures for Obtaining Approval to Offer One or More New Certificates

The Board shall approve all new programs of study in institutions described in Section 1095.20(a) that are not otherwise exempted in Section 1095.20(d). Following is a description of the steps in the approval process:

- a) New Program Request
 - 1) The school requesting permission to offer a new program or re-establish a program not offered in the last approval year will complete an application provided by the Board.
 - 2) Information to be provided by the school shall include:
 - A) Program titles and descriptions;
 - B) Program objectives;
 - C) Curriculum;
 - D) Relationship of new programs to existing programs;
 - E) Faculty;
 - F) Recommendation of internal governance bodies;
 - G) Facilities;
 - H) Finances; and
 - I) Program publicity information.
- b) Staff Analysis
Following receipt of the application, staff will review and analyze the application and documentation submitted.
- c) Additional Documentation and Site Visit
In the case of a proposed new program for which staff determines it is necessary to verify or supplement the information supplied in the application, the staff may request additional written documentation and/or arrange for a site visit.
- d) Outside Consultants

ATTACHMENT 1:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

The Executive Director of the Board, at his or her discretion, may utilize the services of outside consultants to assist the staff in a site visit and in the evaluation of the documentation submitted.

e) Staff Report

Following the analysis, staff will summarize its findings and develop a recommendation regarding the new program request. This recommendation will be shared with the applicant. This recommendation will be one of the following:

- 1) That the program be approved to admit students, with the appropriate certificates being awarded upon program completion; or
- 2) That the approval requested not be granted.

f) New Application

Any school denied approval to award a new certificate must file a new application in order to be given subsequent consideration for approval.

g) Advertising of Programs

- 1) *Advertisements or solicitations must reference the Board's approval by stating that the school is approved by the "Division of Private Business and Vocational Schools of the Illinois Board of Higher Education" (Section 65 of the Act).*
- 2) A school may state that it is approved to award a certificate in the State of Illinois only after that approval has been officially granted and received in writing from the Board.
- 3) A school shall not advertise or state in any manner that it is "accredited" by the Board to award certificates.
- 4) No school shall publish or otherwise communicate to prospective students, faculty, staff or the public misleading or erroneous information about the certificate-granting status of a given school.

(Source: Amended at 41 Ill. Reg. _____, effective _____)

Section 1095.100 Classroom Extension

A school must have approval prior to operating at a location and must make application to the Board for a classroom extension at a new or changed location. (Section 20 of the Act)

- a) A school shall be permitted to provide instructional services at locations other than its principal location only upon filing a separate application for approval of each classroom

ATTACHMENT 1:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

extension and payment of the application fee specified in this Part. There shall be no instruction conducted at any extension site without the Board's written approval of the site. If instruction has been conducted at the extension site during the previous approval year, the school shall make application for continued approval of the site with its annual renewal application.

- b) The approval year for extensions shall coincide with that of the original application or any renewal applications.
- c) Included in the original application for each extension shall be the following:
 - 1) The address and telephone number of the extension site;
 - 2) The name, business address and telephone number of the site administrators during hours of instruction;
 - 3) Inventories of instructional equipment;
 - 4) Facility plans showing space is available for the school to deliver programs in accordance with Sections 1095.40 and 1095.60;
 - 5) Certificate of liability insurance coverage for the site or a rider to the certificate indicating site coverage;
 - 6) Documentation verifying that the site meets local health and safety requirements (e.g., fire marshal reports, occupancy certificates, public health certificates);
 - 7) Descriptions of the specific courses of instruction to be offered;
 - 8) Projected enrollment figures;
 - 9) Description of the plans and procedures for ensuring supervision during the hours that instruction is being given and students are present;
 - 10) A list of all faculty and the subjects they are assigned to teach;
 - 11) Verification of qualification of faculty and administrators pursuant to requirements in Sections 1095.40 and 1095.60;
 - 12) Indication of surety bond coverage for the site (i.e., the surety bond indicating coverage of the site in the amount required in Section 1095.210);
 - 13) A copy of the new or revised catalog or a copy of the supplement to the catalog that gives information on the extension site; and

ATTACHMENT 1:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

- 14) Copies of advertising materials to be used for the extension site.
- d) A school shall have written policies and procedures for the administration and control of its extensions that describe provisions for continuous:
 - 1) Supervision and control of activities at the site during its hours of operation; and
 - 2) Evaluation of instructional activities at the site.
- e) If an administrator appointed under this Part is not at the site when students are present and instruction is being given, the policies and procedures shall provide for an administrator to be immediately on call to answer student and faculty questions and give direction for any contingencies that may occur. The school shall furnish students and faculty with the name, address and telephone number of the extension administrator.
- f) The Board will deny or revoke approval of an extension if it is found that the extension's instructional program is not comparable to that provided at the principal location or other extension sites, or a school has not provided instruction at the extension site during the previous year, unless the school presents the Board with plans for correction of the problem.
- g) A school shall notify the Board at least 530 days prior to closure of any extension during any approval year.

(Source: Amended at 41 Ill. Reg. _____, effective _____)

Section 1095.120 School Application and Renewal Fees

Each school and each of the non-degree programs of study offered by the school shall be approved for 5 years, subject to the terms and conditions of approval, including without limitation the submission of required reporting and the payment of required charges and fees under the provisions of Section 75 of the Act and this Part, and compliance with any other requirements in the Act and this Part. (Section 50 of the Act)

- a) Fees
Section 75 of the Act authorizes the Board to set fees. Fees are assessed in connection with school applications for the permit of approval, annual renewal of permit of approval, change of ownership, new program of study, change of location, and classroom extension.
 - 1) Application Fees
The fees are based on the institution size as outlined in subsection (a)(2).

ATTACHMENT 1:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

- A) Permit of approval. This is the initial fee for the application for approval. Schools shall re-apply for the permit every 5 years. (See Sections 1095.20 and 1095.40.)
- i) A fee will be assessed when an institution applies for a letter of exemption from the Board and re-certifies the exemption annually. (See Section 1095.20.)
 - ii) There will be a late fee assessed for Fifth Year Permit of Approval applications submitted up to 30 days after the due date. Fifth Year Permit of Approval applications over 30 days late will not be accepted.
- B) Annual renewal. This fee is paid in each of the 4 years following the issuance of a permit of approval. (See Section 1095.200.)
- There will be a late fee assessed for Annual Renewal applications submitted up to 30 days after the due date. Annual Renewal applications over 30 days late will not be accepted.
- C) New program of study. This fee is submitted with the application when an approved school requests approval of a new or additional non-degree program of study. (See Sections 1095.60, 1095.70 and 1095.80.)
- i) A fee will be assessed for changes made to an approved program.
 - ii) If a school is found to have offered a program of study prior to Board approval, a penalty fee will be assessed.
- D) Change of ownership. This is the fee to submit with an application for a permit of approval whenever there is a change of ownership of an approved school. (See Section 1095.110.)
- E) Change of location. This is the fee to submit with the application for a change of location prior to moving the approved school's principal location. (See Section 1095.90.)
- If a school is found to have relocated prior to Board approval, a penalty fee will be assessed.
- F) Classroom extension. This fee is submitted with the application to expand the offering of instructional services at locations other than its principal location. (See Section 1095.100.)

ATTACHMENT 1:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

If a school is found to have opened an extension site prior to Board approval a penalty fee will be assessed.

2) Schedule of Fees

	Institution Size			
	< 100 Students	100-399 Students	400-700 Students	> 700 Students
Permit of Approval	\$880 1,000	\$1,760 2,000	\$3,520 4,000	\$ 5,000
Exemption Fee	250	250	250	250
5th Year Permit of Approval	1,000	2,000	4,000	5,000
Late Fee	250	500	750	950
Annual Renewal	440 500	880 1,000	1,760 2,000	2,500 3,000
Late Fee	250	500	750	950
New Program of Study	280 350	560 650	1,120 1,300	1,590 1,750
Program Change	150	150	150	150
Penalty Fee	500	750	1,000	1,250
Change of Ownership	880 1,000	1,760 2,000	3,520 4,000	5,000
Change of Location	130 250	260 450	520 775	740 1,000
Penalty Fee	500	750	1,000	1,250
Classroom Extension	260 350	520 650	1,040 1,250	1,480 1,750
Penalty Fee	500	750	1,000	1,250

b) Remittance

- 1) Fees shall be submitted as check, certified check, cashier's check, or money order payable to the Illinois Board of Higher Education.

ATTACHMENT 1:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

2) The Board shall return fees if, after further investigation, the Board determines that the institution's request does not require Board approval. **This does not apply to the application for a letter of exemption from the Board.** No refund shall be awarded for any application that requires Board approval and has been reviewed by Board staff. Applications withdrawn by the institution shall receive no refund.

3) Fees shall be submitted to:

**Illinois Board of Higher Education
Division of Private Business and Vocational Schools
431 East Adams, Second Floor
1 N. Old State Capitol Plaza, Suite 333
Springfield, IL 62701-1404**

c) Processing

1) Applications submitted to the Board with insufficient fees shall be considered incomplete. The Board will notify the institution of the amount due. No further action shall be taken by the Board until the full amount due is submitted.

2) Applications submitted to the Board with incorrect fees shall be considered incomplete. The incorrect fee amount will be returned to the institution. No further action shall be taken by the Board until the full and correct fee amount due is submitted.

3) *If an applicant school has not remedied all deficiencies cited by the Board within 12 months after the date of its original application for a permit of approval, an additional original application fee for the continued cost of investigation of its application will be charged to the school (Section 75 (6) of the Act).*

4) The Board will not accept a new or additional application from an institution that has been unwilling or unresponsive to prior requests for information from the Board, unless the prior application is withdrawn by the applicant.

(Source: Amended at 41 Ill. Reg. _____, effective _____)

SUBPART B: MAINTENANCE OF APPROVAL

Section 1095.210 Surety Bond

Each school shall provide evidence to the Board of a surety bond to protect the interests of the students. *The amount of the bond must be sufficient to provide for the repayment of full tuition to all students enrolled at the institution in the event of closure of the institution. Evidence of the continuation of the bond must be filed annually with the Board.* (Section 55 of the Act)

ATTACHMENT 1:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

- a) A school shall supply the Board with a copy of a fully executed, continuous surety bond written by a company authorized to do business in Illinois in an amount sufficient to provide cumulative unearned prepaid tuition for the Illinois students enrolled at any one time. The amount shall be no less than \$10,000.
- b) The school shall submit its projection of greatest amount of unearned prepaid tuition with its initial application for a certificate and the actual amount, based upon the record of the previous fiscal year, with each succeeding application.
- c) Should the Board determine, after applying the provisions of this Section, that the school must increase the amount of bond coverage, the school shall file a bond rider acknowledging increased coverage within 30 calendar days after receipt of the Board's notice requiring the increase.
- d) In the event of cancellation of the bond by a bonding company, the school shall furnish a fully executed replacement bond to the Board within 30 calendar days after the Board's receipt of the notice of cancellation.
- e) The bonding company shall, on the Board's request, provide reasons for bond termination within 30 calendar days after the Board's receipt of notice of the termination.
- f) Termination of the school's surety bond coverage without a replacement provided to the Board prior to the cancellation date will result in shall be grounds for revocation of its permit of approval.
- g) When the school provides instruction at extensions, the surety bond or riders attached to the bond shall indicate coverage for all Illinois students at all sites where instruction is or will be given.

(Source: Amended at 41 Ill. Reg. _____, effective _____)

Section 1095.230 Lack of Compliance

A school shall permit the Board's Executive Director or his or her designees to inspect the school or classes from time to time with or without notice and to make available to the Board's Executive Director or his or her designees, at any time when required to do so, information, including, financial information, pertaining to the activities of the school required for the administration of the Act and this Part. (Section 55(8) of the Act)

- a) The staff of the Board shall initiate an investigation upon receipt of a verified written complaint and may initiate an investigation in response to oral or written information concerning any of the following:

ATTACHMENT 1:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

- 1) Alleged violation of any of the conditions governing issuance of the permit of approval;
 - 2) Alleged failure to comply with this Part;
 - 3) Alleged fraudulent conduct on the part of any person operating the institution or of any person, acting within the scope of his/her employment by the institution, on account of which any student ever enrolled in the institution has been injured or has suffered financial loss;
 - 4) Loss, suspension, probation or similar adverse action taken by an accrediting body with which the institution is or was affiliated;
 - 5) Actions of federal or state regulatory agencies or Offices of Attorneys General, Offices of Inspectors General, or similar bodies that affect an institution's status with those bodies.
- b) Whenever an inspection or other information reveals lack of compliance with the Act or this Part, the Board shall send the school a report of deficiencies. The school shall have 10 business days to respond to the report of deficiencies and report on actions that have been taken to correct these deficiencies.

(Source: Amended at 41 Ill. Reg. _____, effective _____)

Section 1095.240 Disclosures

All schools shall make, at a minimum, the disclosures required under Section 37 of the Act and this Part clearly and conspicuously on their Internet websites. The disclosure shall consist of a statement containing the following information for the most recent 12-month reporting period of July 1 through June 30 (Section 37 of the Act):

- a) For each program of study, report:
 - 1) The number of students who were admitted in the program as of July 1 of that reporting period.
 - 2) The number of additional students who were admitted in the program during the next 12 months and classified in one of the following categories:
 - A) New starts;
 - B) Re-enrollments; and
 - C) Transfers into the program from other programs at the school.

ATTACHMENT 1:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

- 3) The total number of students admitted in the program during the 12-month reporting period (the number of students reported under subsection (a)(1) plus the total number of students reported under subsection (a)(2)).
- 4) The number of students enrolled in the program during the 12-month reporting period who:
 - A) Transferred out of the program and into another program at the school;
 - B) Completed or graduated from a program;
 - C) Withdrew from the school;
 - D) Are still enrolled.
- 5) The number of students enrolled in the program who were:
 - A) Placed in their field of study;
 - B) Placed in a related field;
 - C) Placed out of the field;
 - D) Not available for placement due to personal reasons;
 - E) Not employed.
- b) *The number of students who took a State licensing examination or professional certification examination, if any, during the reporting period, as well as the number who passed. (Section 37 of the Act)*
- c) *The number of graduates who obtained employment in the field who did not use the school's placement assistance during the reporting period; such information may be compiled by reasonable efforts of the school to contact graduates by written correspondence. (Section 37 of the Act)*
- d) *The average starting salary for all school graduates employed during the reporting period; this information may be compiled by reasonable efforts of the school to contact graduates by written correspondence. (Section 37 of the Act)*
- e) *The following clear and conspicuous caption, set forth with the address and telephone number of the Board's office: "COMPLAINTS AGAINST THIS SCHOOL MAY BE REGISTERED WITH THE BOARD OF HIGHER EDUCATION". (Section 37 of the Act) (See Section 1095.250.)*

ATTACHMENT 1:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

f) Information on warning, probation, or any other type of conditional status from an accreditor, licensure body, certifying entity, or federal/state oversight agency.

(Source: Amended at 41 Ill. Reg. _____, effective _____)

Section 1095.250 Student Complaints

Schools approved by the Board must *provide to the Board and each student the school's policy for addressing student complaints. Included in this process, the school must provide in its promotional materials and on its Internet website the Board's address and Internet website for reporting complaints.* (Section 55(2) of the Act)

a) *Student complaints must be submitted in writing to the Board* (Section 85(i)(1) of the Act).

1) ~~The Board will provide forms that may be used to submit a complaint.~~ Information about the complaint may be submitted online through the IBHE website (www.ibhe.org). ~~Signed forms should be sent to the Board at:~~ Additional information regarding the complaint process can be obtained by contacting the Board at:

Illinois Board of Higher Education
Division of Private Business and Vocational Schools
431 East Adams, Second Floor
1 N. Old State Capitol Plaza, Suite 333
Springfield, IL 62701-4404

Phone Number: (217) 782-2551

Fax Number: (217) 782-8548

2) ~~Verbal instructions on how to submit a student complaint are available by calling the Board at (217) 782-2551.~~

b) *Board staff shall contact the school about the complaint by registered mail or other appropriate notification. The school has 10 business days to respond to the Board about the complaint. The Board shall provide a resolution determination to the school. The school may request a hearing about the proposed resolution within 10 business days after the delivery of the complaint by registered mail or other appropriate notification. If the school does not abide by the resolution determination, then the Board can issue a cease and desist order to the school. If the school does not comply with the cease and desist order, then the Board may revoke the school's permit of approval.* (Section 85(i)(2) of the Act)

ATTACHMENT 1:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

- c) *The complaint may be forwarded to the institution's accrediting body. (Section 85(i)(3) of the Act)*
- d) *The Board shall annually issue a public report about the complaints received. At a minimum, the report shall include the institution, the nature of the complaint, and the current resolution status of the complaint. No individual student shall be named in the report. (Section 85(i)(4) of the Act)*

(Source: Amended at 41 Ill. Reg. _____, effective _____)

Section 1095.260 Cease and Desist Orders

The Board's Executive Director has the authority to order any school subject to the Act to cease and desist operations if the school is found to have acted contrary to the standards set forth in the Act and this Part. (Section 85 of the Act)

- a) On receipt of a cease and desist order, the school shall immediately cease and desist from all sales, advertising, marketing and enrollment activities. It shall report to the Board in writing within 15 days on actions that will be taken to correct the deficiencies cited. The report shall include the dates for completion of corrective activities.
- b) The Board shall notify the school in writing immediately when conditions relating to issuance of the order have been rectified and the school is again eligible to resume its normal sales, advertising, marketing and enrollment functions.
- c) **If deficiencies noted by the Board are not corrected within 30 days following the school's Board's receipt of the report, the Board shall proceed to a hearing to show why the school's permit of approval should not be placed on probation, suspended or revoked.**

(Source: Amended at 41 Il Reg. _____, effective _____)

Section 1095.270 School Closing and Student Transcripts

- a) Notice Required.
A school that is closing, either voluntarily or involuntarily, shall send to the Board the following:
 - 1) Notice of the closure immediately by certified mail;
 - 2) The name, address and telephone number of the person who will be responsible for closing arrangements;

ATTACHMENT 1:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

- 3) The name, address and telephone number and the name of the course of instruction for each student who has not completed his or her course of instruction;
- 4) Information on the amount of class time left for each student, to complete the course, with the amount of refund, if any, for which each student is eligible;
- 5) Copies of the written notice being mailed to all enrolled students, explaining the procedures they are to follow to secure refunds or to continue their education; and
- 6) Its permit of approval, returned immediately by mail upon cessation of instruction or termination of approved status.

b) Teach-Out Plan

When a postsecondary educational institution now or hereafter operating in this State proposes to discontinue its operation, that institution shall cause to be created a teach-out plan acceptable to the Board, which shall fulfill the school's educational obligations to its students. Should the school fail to deliver or act on the teach-out plan, the Board is in no way responsible for providing the teach-out. (Section 70 of the Act)

- 1) A school shall have written plans designed to protect the contractual rights of its students and graduates in the event the school closes or undergoes a change of status (e.g., if the school changes location or if its permit of approval is revoked), including the right to complete the course of instruction in which the students or graduates enrolled.
- 2) If students are receiving instruction prior to the school's closing, the school shall file a plan including the information described in subsection (b)(2)(A) with the Board to ensure that the school's students will continue to receive training of the same quality and content as that for which they contracted, as indicated in subsection (b)(2)(B).
 - A) Arrangements for transferring students to a public or another approved private school shall be filed with the Board prior to any student transfer.
 - B) Prior to approving the school's arrangements for completing its teaching obligations to students, the Board shall verify that students transferring will receive the same kind of program and instructional services as those for which they contracted.

c) Academic Records

In the event a school proposes to discontinue its operations, the chief administrative officer of the school shall cause to be filed with the Board the original or legible true copies of all such academic records of the institution as may be specified by the Board. (Section 70 of the Act)

ATTACHMENT 1:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

- 1) Academic records include applications for enrollment and supporting documents, enrollment agreements, transcripts, and attendance records.
- 2) *These records shall include, at a minimum, the academic records of each former student that is traditionally provided on an academic transcript, such as, but not limited to, courses taken, terms, grades, and other such information. (Section 70 of the Act)*
- ~~3~~2) *In the event it appears to the Board that any such records of an institution discontinuing its operations is in danger of being lost, hidden, destroyed, or otherwise made unavailable to the Board, the Board may seize and take possession of the records, on its own motion and without order of court. (Section 70 of the Act)*
- ~~4~~3) *The Board shall maintain or cause to be maintained a permanent file of records coming into its possession. (Section 70 of the Act)*
- ~~5~~4) *As an alternative to the deposit of records with the Board, the institution may propose to the Board a plan for permanent retention of the records that may include the transfer of records to a similar institution. The plan must be put into effect only with the approval of the Board. (Section 70 of the Act)*
- 6) If the institution is in possession of any record or material, paper or electronic, that is not an academic record but contains personal information, a term that is defined by the Illinois Personal Information Protection Act, 815 ILCS 530/5, the institution must retain a document or material destruction company to destroy such documents or materials, if permitted by the Family Education Rights and Privacy Act, 20 U.S.C. § 1232g, in accordance with Section 40 of the Illinois Personal Information Protection Act, 815 ILCS 530/40.
- 7) If, pursuant to the Family Education Rights and Privacy Act, 20 U.S.C. § 1232g, the institution is required to retain any record or material that is not an academic record but which contains personal information, a term that is defined by the Illinois Personal Information Protection Act, 815 ILCS 530/5, that institution must retain said records or materials in accordance with Section 45 of the Illinois Personal Information Protection Act, 815 ILCS 530/45.
- 8) The institution must send to the Board, the Illinois Attorney General's Office - Privacy Unit, and the Department of Education designee, a certification that it has complied with its obligations under the Federal Educational Rights and Privacy Act, 20 U.S.C. § 1232g, and the Illinois Personal Information Protection Act, 815 ILCS 530/1, et seq., with respect to both academic records and non-academic records or materials that contain personal information. The

ATTACHMENT 1:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

requirements of such certification will be provided to the institution by the Board upon receipt of Permit of Approval.

9) If a state or federal law requires an institution to provide greater protections to records or materials that contain personal information, and the institution is in compliance with the provisions of that state or federal law, the institution shall be deemed to be in compliance with Section 45 of the Illinois Personal Information Protection Act, 815 ILCS 530/45.

10) A violation of the Illinois Personal Information Protection Act, 815 ILCS 530/1, et seq. constitutes an unlawful practice under the Illinois Consumer Fraud and Deceptive Practices Act.

d) Refund Requirements

1) The school shall refund all tuition, fees and other charges if the Board, in any situation in which students are receiving instruction prior to a school's closing, determines that:

A) The school has not fulfilled its contractual obligations; or

B) A student has reasonable objections to transfer resulting from the closing.

2) *The school and its designated surety bonding company are responsible for the return to students of all prepaid, unearned tuition. As identified in Section 55 of the Act, the surety bond must be a written agreement that provides for monetary compensation in the event that the school fails to fulfill its obligations. The surety bonding company shall guarantee the return to the school's students and their parents, guardians, or sponsors of all prepaid, unearned tuition in the event of school closure. Should the school or its surety bonding company fail to deliver or act to fulfill the obligation, the Board is in no way responsible for the repayment or any related damages or claims. (Section 70 of the Act) (See Section 1095.210 for requirements of the surety bond.)*

e) Transcript Requests

1) The Board is the custodian of records for student transcripts from closed private business and vocational schools that have turned over their student records to the Board.

2) The Board shall maintain a list of the private business and vocational schools that have closed and will publish the list on the Board website (www.ibhe.org).

ATTACHMENT 1:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

- 3) A student who attended a Board-approved school that has since closed shall use the transcript request form and procedure developed by the Board along with the applicable fees.
- 4) The fee for a student transcript is \$10 per copy and shall be submitted as check, certified check, cashier's check or money order payable to the Illinois Board of Higher Education.
- 5) Fees shall be submitted to:

Illinois Board of Higher Education
Division of Private Business and Vocational Schools
~~431 East Adams, Second Floor~~
1 N. Old State Capitol Plaza, Suite 333
Springfield, IL 62701-1404

(Source: Amended at 41 Ill. Reg. _____, effective _____)

ATTACHMENT 2:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

TITLE 23: EDUCATION AND CULTURAL RESOURCES
SUBTITLE A: EDUCATION
CHAPTER II: BOARD OF HIGHER EDUCATION

PART 1095
PRIVATE BUSINESS AND VOCATIONAL SCHOOLS

SUBPART A: SCHOOL APPROVAL

Section	
1095.10	Introduction
1095.20	Institutions Required to Receive Approval
1095.30	Definitions
1095.40	Criteria for Evaluation of the Application for a Permit of Approval
1095.50	Procedures for Obtaining a Permit of Approval
1095.60	Criteria for Evaluation of the Application for a New Program
1095.70	Requirements for Technologically Mediated Instruction Offered from a Distance
1095.80	Procedures for Obtaining Approval to Offer One or More New Certificates
1095.90	Change of Location
1095.100	Classroom Extension
1095.110	Change of Ownership
1095.120	School Application and Renewal Fees

SUBPART B: MAINTENANCE OF APPROVAL

Section	
1095.200	Annual Renewal
1095.210	Surety Bond
1095.220	Liability Insurance
1095.230	Lack of Compliance
1095.240	Disclosures
1095.250	Student Complaints
1095.260	Cease and Desist Orders
1095.270	School Closing and Student Transcripts

AUTHORITY: Implementing and authorized by the Private Business and Vocational Schools Act of 2012 [105 ILCS 426].

SOURCE: Emergency rules adopted at 36 Ill. Reg. 3067, effective February 8, 2012, for a maximum of 150 days; emergency expired July 6, 2012; adopted at 36 Ill. Reg. 12262, effective July 18, 2012; amended at 41 Ill. Reg. _____, effective _____.

ATTACHMENT 2:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

SUBPART A: SCHOOL APPROVAL

Section 1095.10 Introduction

The State of Illinois recognizes the importance and significant public contributions of private schools offering occupational training to its citizens. Effective February 1, 2012, the General Assembly has delegated responsibility for rulemaking and for approving and monitoring these schools to the Board of Higher Education through the Private Business and Vocational Schools Act of 2012 [105 ILCS 426]. That Act provides for the establishment of rules and standards that schools and individuals must meet prior to the issuance of original permits of approval and the renewal of those permits.

Section 1095.20 Institutions Required to Receive Approval

No person or groups of persons subject to the Act and this Part may establish and operate or be permitted to become incorporated for the purpose of operating a private business and vocational school without obtaining from the Board a permit of approval, provided that a permit of approval is not required for a program that is devoted entirely to religion or theology or a program offered by an institution operating under the authority of the Private College Act [110 ILCS 1005], the Academic Degree Act [110 ILCS 1010], or the Board of Higher Education Act [110 ILCS 205] (Section 20 of the Act).

- a) "Private business and vocational school" or "school" means:
- 1) *An educational institution privately owned or operated by a person, partnership, corporation, or other entity offering courses of instruction for which tuition is charged, whether such courses of instruction are offered on site, through correspondence, by distance education, or by other methods, to prepare individuals to do any of the following:*
 - A) *To follow a trade or artistic occupation.*
 - B) *To pursue a manual, mechanical, technical, industrial, business, commercial, office, personal service (other than nursing), or other non-professional occupation.*
 - C) *To follow a profession, if the profession is not subject to licensing or registration under any existing State statute requiring the licensing or registration of persons practicing such profession or if the school is not subject to the regulation of the agency with such licensing or registration authority.*
 - D) *To improve, enhance, or add to the skills and abilities of the individual relative to occupational responsibilities or career opportunities. (Section 15 of the Act)*

ATTACHMENT 2:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

- 2) A school that has not provided instruction in any approval year and desires to resume operations in Illinois. The school shall file a permit of approval application and pay the permit of approval application fee.
 - 3) A new or additional non-degree program of study. The new or additional non-degree program must be approved by the Board as well.
- b) It does not mean an entity that receives a letter of exemption from the Board, and re-certifies the exemption annually. The following are eligible for an exemption:
- 1) *Any institution devoted entirely to the teaching of religion or theology (Section 30 of the Act).*
 - 2) *Any in-service program of study and subject offered by an employer, provided that no tuition is charged and the instruction is offered only to employees of the employer (Section 30 of the Act).*
 - 3) *Any educational institution that:*
 - A) *Enrolls a majority of its students in degree programs and has maintained an accredited status with a regional accrediting agency that is recognized by the U.S. Department of Education; or*
 - B) *Enrolls students in one or more bachelor-level programs, enrolls a majority of its students in degree programs, and is accredited by a national or regional accrediting agency that is recognized by the U.S. Department of Education or that:*
 - i) *Is regulated by the Board under the Private College Act or the Academic Degree Act or is exempt from such regulation under either the Private College Act or the Academic Degree Act solely for the reason that the educational institution was in operation on the effective date of either the Private College Act or the Academic Degree Act; or*
 - ii) *Is regulated by the State Board of Education. (Section 30 of the Act)*
 - 4) *Any institution and the franchisees of that institution that exclusively offer a program of study in income tax theory or return preparation at a total contract price of no more than \$400, provided that the total annual enrollment of the institution for all such courses of instruction exceeds 500 students and further provided that the total contract price for all instruction offered to a student in any one calendar year does not exceed \$3,000. (Section 30 of the Act)*

ATTACHMENT 2:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

- 5) *Any person or organization selling mediated instruction products through a media, such as tapes, compact discs, digital video discs, or similar media, so long as the instruction is not intended to result in the acquisition of training as a credential for a specific employment field, is not intended to meet a qualification for licensure or certification in an employment field, or is not intended to provide credit that can be applied toward a certificate or degree program. (Section 30 of the Act)*

- 6) Any person, group of persons, partnership or corporation that is located outside of the State of Illinois that is or contemplates offering instruction in Illinois above the high school level is not required to obtain a permit of approval if the institution has no physical presence or a limited physical presence in the State. *In determining whether an institution has a physical presence, the Board shall require all of the following:*
 - A) *Evidence of authorization to operate in at least one other state and that the school is in good standing with that state's authorizing agency (Section 30 of the Act);*
 - B) Evidence of accreditation by a body recognized by the U.S. Department of Education and/or the Council for Higher Education Accreditation;
 - C) *Evidence that the school has a means of receiving and addressing student complaints in compliance with any federal or state requirements (Section 30 of the Act);*
 - D) *Evidence that the institution is providing no instruction in this State (Section 30 of the Act);*
 - E) *Evidence that the institution is not providing core academic support services, including, but not limited to, admissions, evaluation, assessment, registration, financial aid, academic scheduling, and faculty hiring and support in this State (Section 30 of the Act); and*
 - F) Evidence that the institution does not maintain a physical facility in Illinois.

- 7) An approved school that wants to add a course to an approved program of study when the addition has a direct relationship to the existing program and does not result in a significant change in curriculum, objectives or resources for the program.

Section 1095.30 Definitions

ATTACHMENT 2:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

"Ability to benefit" means a standard for admission by which a student who does not possess a high school diploma or GED has demonstrated that he or she can profit materially or personally from a certain course of study through passage of an ability to benefit test or alternative pathways that have been approved by the U.S. Department of Education and administered in compliance with U.S. Department of Education guidelines related to ability to benefit test policies and procedures outlined in federal financial aid regulations.

"Act" means the Private Business and Vocational Schools Act of 2012 [105 ILCS 426].

"Board" means the Board of Higher Education established under the Board of Higher Education Act [110 ILCS 205] or its Division of Public Business and Vocational Schools (Section 15 of the Act). In those cases in which the term is used to refer to prior approval or lack of prior approval for a school application prior to February 1, 2012, the term "Board" shall mean the State Board of Education or State Superintendent of Education.

"Certificate of completion" or "certificate" means any designation, appellation, series of letters or words, or other symbol that signifies or purports to signify that the recipient thereof has satisfactorily completed a private business and vocational school's program of study that is beyond the secondary school level, but not a post-secondary degree program at the associate, baccalaureate, master's, doctoral, or post-baccalaureate, professional degree level. (Section 15 of the Act)

"Chief managing employee" is the individual who is the head administrator or supervisor at a school's principal location. (Section 15 of the Act)

"Classroom extension" means the school has existing approval or is seeking additional Board approval to offer an existing program of study at a location other than the school's principal location.

"Educational institution" or "institution" means an organization that promotes business and vocational education, even though the institution's principal effort may not be exclusively educational in nature. (Section 15 of the Act)

"Enrollment agreement" means any agreement or instrument, however named, that creates or evidences an obligation binding a student to purchase a program of study from a school. (Section 15 of the Act)

"Faculty" means any individual or group of individuals who are qualified by education and experience to give expert instruction and evaluation in their specialties, to supervise curricular experiences, and to evaluate learning for credit.

"Institution size" means the total number of students enrolled in the school during a fiscal

ATTACHMENT 2:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

year (i.e., July 1 to June 30 of the following year).

"Mediated instruction" means, for the purposes of this Part, the delivery of instruction from a distance facilitated by technology, such as via teleconferencing, video-conferencing, or internet.

"Non-degree program of study" or "program of study" means any designation, appellation, series of letters or words, or other symbol that signifies or purports to signify that the recipient has satisfactorily completed an organized academic program of study beyond the secondary school level, such as a certificate, but below the associate's degree level and that does not include any recognized degree program such as an associate's, baccalaureate, master's, or doctoral degree, a post-baccalaureate, professional degree, or a post-degree certificate, such as a post-baccalaureate certificate, post-master's certificate, or post-doctoral certificate. (Section 15 of the Act)

"Out-of-state school" means an institution described in this Part that is not otherwise exempted from approval and meets one of the following:

Private corporation, limited liability company, or other entity that is initially incorporated or organized under domestic laws other than the laws of this State, if required, and initially operated outside the State; or

Not-for-profit corporation, limited liability company, or other entity that maintains its primary place of business or home office outside this State.

"Permit of approval" means a non-transferable permit, issued by and pursuant to the authority of the Board of Higher Education through its Division of Private Business and Vocational Schools to a private business and vocational school in the name of the school, that authorizes the school to solicit students and to offer and maintain one or more courses of instruction in compliance with the provisions of the Act and such standards and rules as may be adopted by the Board in this Part. (Section 15 of the Act)

"Program of study" as used in this definition means any academic program beyond the secondary school level, except for a program that is devoted entirely to religion or theology, a program offered by an institution operating under the authority of the Private College Act, the Academic Degree Act, or the Board of Higher Education Act, or a program of study of less than one year in length operating under the statutory authority granted to the Department of Financial and Professional Regulation. (Section 15 of the Act)

"Tuition" means, solely for the purposes of this Part, the total cost of the course of instruction and all other fees for services and facilities furnished or made available to the student by or through the school and/or third parties including, without limitation,

ATTACHMENT 2:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

corporate partners or donors, in connection with a student's matriculation and study and completion of a non-degree program of study, including all charges or expenditures made by the school and/or third parties including, without limitation, corporate partners or donors, for tuition, room and board, books, materials, supplies, laboratory, shop and studio fees, and other expenses.

"Unearned prepaid tuition" means the amount paid to the school by a student or on behalf of a student for which educational services have not yet been rendered. For example, a student pays a school the total amount of \$500 dollars prior to the first day of class. In this scenario, the school initially holds \$500 in unearned prepaid tuition from that student. After 10% of the course is completed, the school will hold \$450 in unearned prepaid tuition from that student. After 20% of the course is completed, the school will hold \$400 in unearned prepaid tuition from that student and so on.

(Source: Amended at 41 Ill. Reg. ____, effective _____)

Section 1095.40 Criteria for Evaluation of the Application for a Permit of Approval

The Board shall approve all schools described in Sections 1095.20(a) and (b) that are not otherwise exempted in Section 1095.20(d). *The following standard criteria are intended to measure the appropriateness of the stated educational objectives of the educational programs of a given institution and the extent to which suitable and proper processes have been developed for meeting those objectives. Information related to the satisfaction of the approval criteria outlined in Section 35 of the Act and this Part must be supplied to the Board by institutions on forms provided by the Board. Additional information may be requested by the Board to determine the institution's ability to satisfy the criteria.* (Section 35 of the Act)

- a) *Qualifications of Governing Board Members, Owners, and Senior Administrators At a minimum, these individuals must be of good moral character and have no felony criminal record.* (Section 35 of the Act)
 - 1) Governing Board Members, Owners, and Senior Administrators have not been involved with a postsecondary educational institution which had institutional authorization to operate in a state revoked during the past 7 years.
 - 2) Governing Board Members, Owners, and Senior Administrators have not controlled, managed, or been involved with a postsecondary educational institution that has ceased operation during the past 7 years which did not provide for the completion of programs by its students, did not provide tuition refunds, and/or resulted in the loss of time or money for enrollees.
 - 3) Governing Board Members, Owners, and Senior Administrators have not knowingly falsified or withheld information from oversight agencies.

ATTACHMENT 2:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

- 4) Governing Board Members, Owners, and Senior Administrators have not plead guilty or had a felony conviction involving moral turpitude, fraud, or a capital crime.
- b) *Qualifications of Faculty and Staff* (Section 35 of the Act)
- 1) The education, experience and other qualifications of faculty, staff and instructors shall reasonably ensure that the students will receive education consistent with the objectives of the program of study.
 - 2) The faculty, staff and instructors of the school shall be of good professional reputation and character.
 - 3) Schools are required to submit faculty credentials required for teaching a program of study as part of the submission for institution's approval. Faculty do not have to be approved by the Board prior to the start of the instructional period. Individual faculty hires and their appropriate qualification will be submitted by the institution during designated reporting periods and need not be submitted prior to teaching the course. Failure to hire faculty according to the credentials outlined by the institution may be grounds for revocation of the permit of approval.
- c) *Demonstration of Student Learning and Quality of Program Delivery* (Section 35 of the Act)
- 1) Schools must show the capacity to develop, deliver and support academic programs. Procedures and policies that will assure the effective design, conduct and evaluation of the certificate program under the academic control of the school must be developed. Assessment plans must demonstrate that the school has identified clear and appropriate program and student learning goals and must have defined appropriate outcomes. Appropriate data must be collected and may be requested by the Board to show the level of student learning that has occurred as a result of participation in the school's programs of study.
 - 2) Adequate records shall be maintained by the school to show attendance, progress or grades, and consistent standards should be enforced relating to attendance, progress and performance.
 - 3) Upon satisfactory completion of the program of study, the student shall be given the appropriate certificate by the institution, indicating that a specifically approved course of instruction or study has been satisfactorily completed by the student.
- d) *Sufficiency of Institutional Finances* (Section 35 of the Act)

ATTACHMENT 2:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

The school should be financially stable and capable of assuring the revenues needed for meeting stated objectives and fulfilling commitments to students.

- e) *Accuracy, Clarity, and Appropriateness of Program Descriptions*
Institutional promotional, advertising, and recruiting materials must be clear, appropriate, and accurate. (Section 35 of the Act)
- 1) *Prior to the issuance of a permit of approval by the Board, no person or organization shall advertise a school or any program of study or solicit prospective students unless the person or organization has applied for and received from the Board authorization to conduct that activity. If the Board has authorized the activity, all advertisements or solicitations must reference the Board's approval by stating that the school is approved by the "Division of Private Business and Vocational Schools of the Illinois Board of Higher Education".* (Section 65 of the Act)
 - 2) Schools are required to submit information about the recruiting process and the information provided to students as a part of the submission for the school's approval. Individual recruiters do not have to be approved by the Board prior to the start of the employment period. Individual recruiters hired and their appropriate qualifications will be submitted by the institution during designated reporting periods and need not be submitted prior starting employment. The actions of the recruiters are the responsibility of the institution. Failure to adhere to the information about the recruiting process and the information provided to students outlined by the institution in the application process may be grounds for revocation of the permit of approval.
 - 3) The Board, at any time, may require that a school furnish proof to the Board of any of its advertising claims. If proof acceptable to the Board cannot be furnished, a retraction of the advertising claims, published in the same manner as the claims themselves, must be published by the institution and continuation of that advertising shall constitute cause for revocation of the institution's permit of approval.
 - 4) For schools requiring approval, the objectives for the school and its programs of study must be consistent with what the school name and program titles imply.
 - A) The term "university" shall only be used in the name of an institution of higher education when the institutional structure includes two or more distinct colleges (e.g., College of Business, College of Education, and College of Liberal Arts and Sciences) providing instruction at the baccalaureate and graduate levels, and is involved in public service activities, scholarship and research.

ATTACHMENT 2:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

- B) The term "college" shall only be used to refer to a school providing instruction at the postsecondary level.
 - C) Program names shall adhere to the Classification of Instructional Programs (CIP) developed by the National Center for Educational Statistics.
- f) *Sufficiency of Facilities and Equipment*
At a minimum, these must be appropriate and must meet applicable safety code requirements and ordinances. (Section 35 of the Act)
- 1) The school shall have adequate and suitable space, equipment and instructional materials to provide education of suitable quality.
 - 2) The school shall be maintained and operated in compliance with all pertinent local, State and national ordinances and laws.
- g) *Fair and Equitable Refund Policies*
At a minimum, these must be fair and equitable, must satisfy any related State or federal rules, and must abide by the standards established in the Act and this Part. (Section 35 of the Act)
- 1) *The Board shall establish minimum standards for a fair and equitable refund policy that must be applied by all institutions subject to the Act (Section 60 of the Act).*
 - 2) *The same refund policy must be applied to all students even if they are not eligible for federal financial aid (Section 60 of the Act).*
 - 3) *Schools that are accredited by an accrediting body recognized by the U.S. Department of Education and approved to participate in offering Federal Title IV student financial aid may apply the required federal refund policy as long as the same policy is applied to all students even if they are not eligible for federal financial aid (Section 60 of the Act).*
- h) *Appropriate and Ethical Admissions and Recruitment Practices*
At a minimum, recruiting practices must be ethical and abide by any State or federal rules. (Section 35 of the Act)
- 1) Neither the school nor its agents shall engage in advertising, sales, collection, credit or other practices of any type that are false, deceptive, misleading or unfair.

ATTACHMENT 2:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

- 2) Schools and agents shall not:
 - A) Use a photograph or other such illustration in public documents, sales literature or otherwise in such a manner as to convey a false impression as to size, importance or location of the institution or equipment and facilities associated with the institution;
 - B) Make a deceptive statement concerning other institutional activities in attempting to enroll students;
 - C) Quote a dollar amount, other than the average starting salary for all school graduates employed during the most recent reporting period as specified in Section 1095.240 (d) pursuant to Section 37 of the Act, in any advertisement as representative or indicative of the earning potential of graduates;
 - D) State or represent that students will be guaranteed employment while enrolled in the institution or that employment will be guaranteed for students after graduation;
 - E) Misrepresent opportunities for employment upon completion of any program of study;
 - F) State or represent that the programs and/or courses or exams are transferable to another institution without current documentation by an authorized official of the receiving institution.
- i) *Recognized Accreditation Status*
Accreditation with an accrediting body approved by the U.S. Department of Education may be counted as significant evidence of the institution's ability to meet curricular approval criteria. (Section 35 of the Act)
 - 1) Any school applying for a permit of approval in the State of Illinois must specify its accreditation status.
 - 2) The school must have the appropriate accreditation if the school offers a program in which professional qualification in a field is necessary for a graduate to obtain employment.
 - 3) In the case of a program requiring accreditation pursuant to Section 1095.40(i)(2), an institution without accreditation from an accrediting authority recognized by the U.S. Department of Education or the Council for Higher Education Accreditation shall provide a clearly defined plan to move from candidate to affiliate status. The plan should include the name of the accrediting

ATTACHMENT 2:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

organization, the basic outline of the accreditation process, and the projected time line for obtaining affiliate status within five years after the date of Board approval, unless the Board waives the original time line because it is found to be an unrealistic expectation.

- j) *Meeting Employment Requirements in the Field of Study* (Section 35 of the Act)
- 1) *The institution must clearly demonstrate how a student's completion of the program of study satisfies employment requirements in the occupational field. The information must be clearly and accurately provided to students.* (Section 35 of the Act)
 - 2) *If licensure, certification, or their equivalent is required of program graduates to enter the field of employment, the institution must clearly demonstrate that completion of the program will allow students to achieve this status.* (Section 35 of the Act)
- k) *Enrollment Agreements that Meet the Requirements Outlined in the Act and this Part* (Section 35 of the Act)
- 1) *A copy of the enrollment agreement must be provided to the Board. Enrollment agreements may be used by schools only if approved by the Board.* (Section 40 of the Act)
 - 2) *The Board shall develop a standard enrollment agreement for use by schools approved or seeking approval under the Act and this Part. Schools may create an enrollment agreement that meets the minimum requirements of this Section and this Part, but it must be approved by the Board prior to implementation.* (Section 40 of the Act)
 - 3) Enrollment agreements shall include, at a minimum, the following:
 - A) *A clear description of costs, refund policies, program information and all disclosures required by the Act* (Section 40 of the Act);
 - B) *The Board's Internet website, the address and phone number of the Board for students to report complaints, and any additional information the Board may require by rule* (Section 40 of the Act);
 - C) An explanation of all criteria and requirements for retention, progress towards certificate, and graduation of the student;
 - D) The institution's tuition, cancellation and refund policies; ~~and~~

ATTACHMENT 2:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

- E) A statement of the purpose and amount of any fees assessed; and
 - F) Information on warning, probation, or any other type of conditional status from an accreditor, licensure body, certifying entity, or federal/state oversight agency.
- 4) If the school requires the student to sign an enrollment agreement or a similar type of agreement with a different title, the document must be distributed as follows:
- A) *The student must be given a copy of the enrollment agreement at the time the student signs that agreement and at the time of the agreement's acceptance, if those events occur at different times. (Section 40 of the Act)*
 - B) *The school shall retain a signed copy of the fully executed enrollment agreement as a part of the student's permanent record. (Section 40 of the Act)*
- 5) *No school may enter into an enrollment agreement in which the student waives the right to assert against the school or any assignee any claim or defense he or she may have against the school arising under the agreement. Any provisions in an enrollment agreement in which the student agrees to such a waiver shall be rendered void. (Section 40 of the Act)*
- 6) *No school may have an enrollment agreement that requires that a student register for more than a single semester, quarter, term, or other such period of enrollment as a condition of the enrollment nor shall any school charge a student for multiple periods of enrollment prior to completion of the single semester, quarter, term, or other such period of enrollment. (Section 35 of the Act)*
- 1) *Clearly Communicated Tuition and Fee Charges (Section 35 of the Act)*
- 1) *Tuition and fees and any other expense charged by the school must be appropriate to the expected income that will be earned by graduates. (Section 35 of the Act)*
 - 2) *No school may have a tuition policy that requires that a student register for more than a single semester, quarter, term, or other such period of enrollment as a condition of the enrollment nor shall any school charge a student for multiple periods of enrollment prior to completion of the single semester, quarter, term, or other such period of enrollment. (Section 35 of the Act)*

ATTACHMENT 2:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

- m) *Legal Action Against the Institution, Its Parent Company, Its Owners, Its Governing Board, or Its Board Members*
Any such legal action must be provided to the Board and may be considered as a reason for denial or revocation of the permit of approval. (Section 35 of the Act)
- n) Investigations and/or adverse actions by federal or state regulatory agencies, accrediting bodies, licensing boards, or certification entities against the Institution, Its Parent Company, Its Owners, Its Governing Board, or Its Board Members must be provided to the Board and may be considered as a reason for denial or revocation of the permit of approval.
- o) The school shall provide a current catalog or brochure, either in print or electronically, to each prospective student prior to enrollment. If a school maintains a website, the current catalog must appear on the website. Upon request, the school shall provide a catalog or brochure without gathering personal information from an individual unless that information is volunteered. The catalog or brochure shall contain the following:
- 1) Descriptions of the programs offered, program objectives, lengths of program and institutional calendars with program start and end dates;
 - 2) Schedule of tuition, fees and all other charges and expenses necessary for completion of the course of study, and cancellation and refund policies;
 - 3) Student success data as required pursuant to Section 37 of the Act and this Part and any data to satisfy Board reporting requirements;
 - 4) A statement of the institution's accreditation status with a U.S. Department of Education recognized accrediting body. If no such accreditation exists, the institution must prominently state this in its advertising and published materials;
 - 5) Statements regarding the transferability of a certificate to other institutions of higher education and the importance of consulting with institutions to which the student may seek to transfer;
 - 6) Evidence of articulation arrangements with institutional counterparts, when these arrangements exist;
 - 7) Other material facts concerning the institution and the program or course of instruction as are likely to affect the decision of the student to enroll, together with any other information specified by the Board and defined in this Part; and
 - 8) Information on warning, probation, or any other type of conditional status from an accreditor, licensure body, certifying entity, or federal/state oversight agency.

ATTACHMENT 2:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

(Source: Amended at 41 Ill. Reg. _____, effective _____)

Section 1095.50 Procedures for Obtaining a Permit of Approval

Each application required to be filed in accordance with the provisions of the Act and this Part must be accompanied by the required fee under the provisions of the Act and this Part, and all such applications must be made on forms prepared and furnished by the Board. (Section 20 of the Act)

- a) The school representatives shall complete the application supplied by the Board. The application requests information and supporting evidence to demonstrate that the school meets the criteria established.
- b) *If an applicant school has not remedied all deficiencies cited by the Board within 12 months after the date of its original application for a certificate of approval, an additional original application fee for the continued cost of investigation of its application is added. (Section 75(6) of the Act)*
- c) Following the receipt of the formal application, accompanying documentation, and applicable fee, staff will review and analyze all materials.
- d) If a completed original application is rejected, the Board shall:
 - 1) Issue a written response specifying the reason for the rejection; or
 - 2) Issue a permit of approval only after the reasons for rejecting the application have been removed.
- e) If a school is in disagreement with the Board's findings regarding its original application, it may, within 30 days after receipt of the application deficiency report, petition the Board in writing for a reexamination of the application. The petition shall include the reasons for disagreement with the findings, and documentation and exhibits supporting the school's contentions of approvability. If, based on the petition and reexamination of the application, the Board finds and issues a report stating that the school still has not fulfilled all requirements for approval, the school may make a written request within 30 days after receipt of this report for an informal hearing to show why it believes it has satisfied all application requirements. The request will be granted within 60 days after receipt of that request. If, as a result of the presentation by the applicant, the Executive Director determines that application deficiencies cannot be resolved, the Executive Director shall call for a hearing as provided in Section 85 of the Act, to refuse to issue a permit of approval; or if it appears that the school can resolve application deficiencies within the time limitations of subsection (b), the Executive Director shall allow the applicant to continue efforts to remove application deficiencies, subject to subsection (b) of this Section.

ATTACHMENT 2:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

(Source: Amended at 41 Ill. Reg. _____, effective _____)

Section 1095.60 Criteria for Evaluation of the Application for a New Program

The Board requires that a school demonstrate that it can maintain and operate a new program that meets the standard criteria for those programs. The following standard criteria are designed to measure the appropriateness of the stated educational objectives to the programs of a given school and the extent to which suitable and proper processes have been developed for meeting those objectives:

- a) All criteria defined in Section 1095.40 for evaluating an application for a permit of approval shall apply.
- b) The objectives of the program must be consistent with what the program title implies.
- c) The requested program shall be congruent with the purpose, goals, objectives and mission of the school.
- d) The caliber and content of the curriculum shall assure that the stated objectives for which the program is offered will be achieved.
- e) The school shall have adequate and suitable space, equipment and instructional materials to provide education of suitable quality.
- f) The education, experience and other qualifications of directors, administrators, supervisors and instructors shall ensure that the students will receive education consistent with the objectives of the program.
- g) The information the school provides for students and the public shall accurately describe the programs offered, program objectives, length of program, schedule of tuition, fees and all other charges and expenses necessary for completion of the course of study, cancellation and refund policies, and such other material facts concerning the school and the program or course of instruction as are likely to affect the decision of the student to enroll. This information, including any enrollment agreements or similar agreements, shall be available to prospective students prior to enrollment.
- h) Fiscal and personnel resources shall be sufficient to permit the school to meet obligations to continuing programs while assuming additional resource responsibilities for the new program.
- i) The faculty, staff and instructors of the school shall be of good professional reputation and character.

Section 1095.70 Requirements for Technologically Mediated Instruction Offered from a Distance

ATTACHMENT 2:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

In addition to meeting other requirements in Section 1095.60, programs offered through electronically mediated distance learning must, at a minimum, meet the following requirements:

- a) The institution assures adequacy of technical and physical plant facilities, including appropriate staffing and technical assistance, to support its electronically offered programs.
- b) The institution provides students, faculty and staff with effective technical support and training for each educational technology hardware, software and delivery system required in a program. The help desk function is available to students during hours when it is likely to be needed, which shall be, at a minimum, 18 hours a day.
- c) Appropriate measures for security of systems and adequacy of support are maintained. The selection of technologies is based on appropriateness for the students, faculty and curriculum.
- d) Faculty are full participants in decisions regarding curricula and program oversight.
- e) Demonstration of student learning and program outcomes is appropriate to the field and consistent regardless of program delivery method.
- f) Appropriate admission processes, policies and assessments are used to ensure that students are capable of succeeding in an on-line learning environment. Students are adequately informed of the nature and expectations of on-line learning.
- g) Assessments of student learning, especially exams, take place in circumstances that include definite student identification and assurance of the integrity of student work.
- h) Assessment of electronically offered programs by the institution occurs in the context of the regular evaluation of all academic programs.

Section 1095.80 Procedures for Obtaining Approval to Offer One or More New Certificates

The Board shall approve all new programs of study in institutions described in Section 1095.20(a) that are not otherwise exempted in Section 1095.20(d). Following is a description of the steps in the approval process:

- a) New Program Request
 - 1) The school requesting permission to offer a new program or re-establish a program not offered in the last approval year will complete an application provided by the Board.
 - 2) Information to be provided by the school shall include:

ATTACHMENT 2:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

- A) Program titles and descriptions;
 - B) Program objectives;
 - C) Curriculum;
 - D) Relationship of new programs to existing programs;
 - E) Faculty;
 - F) Recommendation of internal governance bodies;
 - G) Facilities;
 - H) Finances; and
 - I) Program publicity information.
- b) **Staff Analysis**
Following receipt of the application, staff will review and analyze the application and documentation submitted.
- c) **Additional Documentation and Site Visit**
In the case of a proposed new program for which staff determines it is necessary to verify or supplement the information supplied in the application, the staff may request additional written documentation and/or arrange for a site visit.
- d) **Outside Consultants**
The Executive Director of the Board, at his or her discretion, may utilize the services of outside consultants to assist the staff in a site visit and in the evaluation of the documentation submitted.
- e) **Staff Report**
Following the analysis, staff will summarize its findings and develop a recommendation regarding the new program request. This recommendation will be shared with the applicant. This recommendation will be one of the following:
- 1) That the program be approved to admit students, with the appropriate certificates being awarded upon program completion; or
 - 2) That the approval requested not be granted.
- f) **New Application**

ATTACHMENT 2:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

Any school denied approval to award a new certificate must file a new application in order to be given subsequent consideration for approval.

g) Advertising of Programs

- 1) *Advertisements or solicitations must reference the Board's approval by stating that the school is approved by the "Division of Private Business and Vocational Schools of the Illinois Board of Higher Education" (Section 65 of the Act).*
- 2) A school may state that it is approved to award a certificate in the State of Illinois only after that approval has been officially granted and received in writing from the Board.
- 3) A school shall not advertise or state in any manner that it is "accredited" by the Board to award certificates.
- 4) No school shall publish or otherwise communicate to prospective students, faculty, staff or the public misleading or erroneous information about the certificate-granting status of a given school.

(Source: Amended at 41 Ill. Reg. _____, effective _____)

Section 1095.90 Change of Location

A school must have approval prior to operating at a location and must make application to the Board for any change of location. (Section 20 of the Act)

- a) A school shall notify the Board at least 30 calendar days in advance of any change of its principal location. It shall file an application on forms provided, pay the fee specified in Section 1095.120, and secure approval prior to operating at the new location.
- b) Included in the application for change of location shall be the following:
 - 1) The address and telephone number of the new location;
 - 2) Assurance that the site will be operated in accordance with the school's policies and guidelines as previously submitted to the Board;
 - 3) Inventories of instructional equipment if different from those previously submitted to the Board;
 - 4) Floor and training ground plans showing space is available for the school to deliver programs in accordance with this Part;

ATTACHMENT 2:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

- 5) Certificate of liability coverage or a rider indicating coverage of the new site;
 - 6) Documentation that the new site meets local health and safety requirements (e.g., fire marshal reports, occupancy certificates, public health certificates);
 - 7) Documentation of school surety bond coverage for the site (i.e., the surety bond indicating coverage of the site in the amount required by this Part);
 - 8) A copy of the new or revised catalog or a copy of the supplement to the catalog that gives a description of the new site and its address;
 - 9) The academic calendar for the new location.
- c) A school shall notify the Board when it is prepared for a visit to the site of any changed location of the school, which shall be conducted prior to the Board's issuing a permit of approval.

Section 1095.100 Classroom Extension

A school must have approval prior to operating at a location and must make application to the Board for a classroom extension at a new or changed location. (Section 20 of the Act)

- a) A school shall be permitted to provide instructional services at locations other than its principal location only upon filing a separate application for approval of each classroom extension and payment of the application fee specified in this Part. There shall be no instruction conducted at any extension site without the Board's written approval of the site. If instruction has been conducted at the extension site during the previous approval year, the school shall make application for continued approval of the site with its annual renewal application.
- b) The approval year for extensions shall coincide with that of the original application or any renewal applications.
- c) Included in the original application for each extension shall be the following:
 - 1) The address and telephone number of the extension site;
 - 2) The name, business address and telephone number of the site administrators during hours of instruction;
 - 3) Inventories of instructional equipment;
 - 4) Facility plans showing space is available for the school to deliver programs in accordance with Sections 1095.40 and 1095.60;

ATTACHMENT 2:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

- 5) Certificate of liability insurance coverage for the site or a rider to the certificate indicating site coverage;
 - 6) Documentation verifying that the site meets local health and safety requirements (e.g., fire marshal reports, occupancy certificates, public health certificates);
 - 7) Descriptions of the specific courses of instruction to be offered;
 - 8) Projected enrollment figures;
 - 9) Description of the plans and procedures for ensuring supervision during the hours that instruction is being given and students are present;
 - 10) A list of all faculty and the subjects they are assigned to teach;
 - 11) Verification of qualification of faculty and administrators pursuant to requirements in Sections 1095.40 and 1095.60;
 - 12) Indication of surety bond coverage for the site (i.e., the surety bond indicating coverage of the site in the amount required in Section 1095.210);
 - 13) A copy of the new or revised catalog or a copy of the supplement to the catalog that gives information on the extension site; and
 - 14) Copies of advertising materials to be used for the extension site.
- d) A school shall have written policies and procedures for the administration and control of its extensions that describe provisions for continuous:
- 1) Supervision and control of activities at the site during its hours of operation; and
 - 2) Evaluation of instructional activities at the site.
- e) If an administrator appointed under this Part is not at the site when students are present and instruction is being given, the policies and procedures shall provide for an administrator to be immediately on call to answer student and faculty questions and give direction for any contingencies that may occur. The school shall furnish students and faculty with the name, address and telephone number of the extension administrator.
- f) The Board will deny or revoke approval of an extension if it is found that the extension's instructional program is not comparable to that provided at the principal location or other extension sites, or a school has not provided instruction at the extension site during the previous year, unless the school presents the Board

ATTACHMENT 2:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

with plans for correction of the problem.

- g) A school shall notify the Board at least 530 days prior to closure of any extension during any approval year.

(Source: Amended at 41 Ill. Reg. _____, effective _____)

Section 1095.110 Change of Ownership

Whenever a change of ownership of a school occurs, an application for a permit of approval for the school under the changed ownership must immediately be filed with the Board. Permits of approval are not transferable. (Section 20 of the Act)

- a) A school shall send a notification letter to the Board within 10 business days after a change in ownership.
- b) Following a change of ownership, the new owners must obtain a permit of approval in order to operate the school.
- c) When a school has a change of ownership that is 50 percent or more of the school's stock or assets in one or a series of transactions occurring within a three year period, it shall file a permit of approval application within 60 days pursuant to Section 1095.50 with the fee specified in Section 1095.120. The school is in compliance during the 60-day period prior to filing and compliance will continue after the date of filing until the Board makes a final decision.
- d) The Board will review the application for change of ownership and, upon determining that the application is complete and the school is in compliance with the Act and Sections 1095.40 and 1095.50, issue a permit of approval.

Section 1095.120 School Application and Renewal Fees

Each school and each of the non-degree programs of study offered by the school shall be approved for 5 years, subject to the terms and conditions of approval, including without limitation the submission of required reporting and the payment of required charges and fees under the provisions of Section 75 of the Act and this Part, and compliance with any other requirements in the Act and this Part. (Section 50 of the Act)

- a) Fees
Section 75 of the Act authorizes the Board to set fees. Fees are assessed in connection with school applications for the permit of approval, annual renewal of permit of approval, change of ownership, new program of study, change of location, and classroom extension.

ATTACHMENT 2:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

- 1) Application Fees
The fees are based on the institution size as outlined in subsection (a)(2).
 - A) Permit of approval. This is the initial fee for the application for approval. Schools shall re-apply for the permit every 5 years. (See Sections 1095.20 and 1095.40.)
 - i) A fee will be assessed when an institution applies for a letter of exemption from the Board and re-certifies the exemption annually. (See Section 1095.20.)
 - ii) There will be a late fee assessed for Fifth Year Permit of Approval applications submitted up to 30 days after the due date. Fifth Year Permit of Approval applications over 30 days late will not be accepted.
 - B) Annual renewal. This fee is paid in each of the 4 years following the issuance of a permit of approval. (See Section 1095.200.)

There will be a late fee assessed for Annual Renewal applications submitted up to 30 days after the due date. Annual Renewal applications over 30 days late will not be accepted.
 - C) New program of study. This fee is submitted with the application when an approved school requests approval of a new or additional non-degree program of study. (See Sections 1095.60, 1095.70 and 1095.80.)
 - i) A fee will be assessed for changes made to an approved program.
 - ii) If a school is found to have offered a program of study prior to Board approval, a penalty fee will be assessed.
 - D) Change of ownership. This is the fee to submit with an application for a permit of approval whenever there is a change of ownership of an approved school. (See Section 1095.110.)
 - E) Change of location. This is the fee to submit with the application for a change of location prior to moving the approved school's principal location. (See Section 1095.90.)

If a school is found to have relocated prior to Board approval, a penalty fee will be assessed.

ATTACHMENT 2:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

- F) Classroom extension. This fee is submitted with the application to expand the offering of instructional services at locations other than its principal location. (See Section 1095.100.)

If a school is found to have opened an extension site prior to Board approval a penalty fee will be assessed.

2) Schedule of Fees

	Institution Size			
	< 100 Students	100-399 Students	400-700 Students	> 700 Students
Permit of Approval	\$ 1,000	\$ 2,000	\$ 4,000	\$ 5,000
Exemption Fee	250	250	250	250
5th Year Permit of Approval	1,000	2,000	4,000	5,000
Late Fee	250	500	750	950
Annual Renewal	500	1,000	2,000	3,000
Late Fee	250	500	750	950
New Program of Study	350	650	1,300	1,750
Program Change	150	150	150	150
Penalty Fee	500	750	1,000	1,250
Change of Ownership	1,000	2,000	4,000	5,000
Change of Location	250	450	775	1,000
Penalty Fee	500	750	1,000	1,250
Classroom Extension	350	650	1,250	1,750
Penalty Fee	500	750	1,000	1,250

b) Remittance

- 1) Fees shall be submitted as check, certified check, cashier's check, or money order payable to the Illinois Board of Higher Education.

ATTACHMENT 2:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

2) The Board shall return fees if, after further investigation, the Board determines that the institution's request does not require Board approval. This does not apply to the application for a letter of exemption from the Board. No refund shall be awarded for any application that requires Board approval and has been reviewed by Board staff. Applications withdrawn by the institution shall receive no refund.

3) Fees shall be submitted to:

Illinois Board of Higher Education
Division of Private Business and Vocational Schools
1 N. Old State Capitol Plaza, Suite 333
Springfield, IL 62701

c) Processing

1) Applications submitted to the Board with insufficient fees shall be considered incomplete. The Board will notify the institution of the amount due. No further action shall be taken by the Board until the full amount due is submitted.

2) Applications submitted to the Board with incorrect fees shall be considered incomplete. The incorrect fee amount will be returned to the institution. No further action shall be taken by the Board until the full and correct fee amount due is submitted.

3) *If an applicant school has not remedied all deficiencies cited by the Board within 12 months after the date of its original application for a permit of approval, an additional original application fee for the continued cost of investigation of its application will be charged to the school (Section 75 (6) of the Act).*

4) The Board will not accept a new or additional application from an institution that has been unwilling or unresponsive to prior requests for information from the Board, unless the prior application is withdrawn by the applicant.

(Source: Amended at 41 Ill. Reg. _____, effective _____)

SUBPART B: MAINTENANCE OF APPROVAL

Section 1095.200 Annual Renewal

Information requested by the Board must be submitted annually or, in special circumstances, at the request of the Board. Failure to do so is grounds for immediate revocation of the permit of approval. Each non-degree program of study must be approved by the Board as well. Regardless of when the program was approved, all programs of study must be approved again with the institutional approval at

ATTACHMENT 2:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

the end of the 5-year approval period or in conjunction with an earlier review if so required under the Act or this Part. The Board's Executive Director has the authority to order any school subject to the Act to cease and desist operations if the school is found to have acted contrary to the standards set forth in the Act or this Part. (Section 50 of the Act)

- a) A school shall submit a renewal application each year for the 4 years following the issuance of a permit of approval by the Board. An application for the permit of approval is required in the last year of the 5-year period.
- b) The fees for the applications are set forth in Section 1095.120.
- c) The Board shall provide the forms to update the information previously submitted by the school and that call for information that has not been reported by the school since the filing of the application for the prior permit of approval.
- d) The information shall include:
 - 1) *An alphabetical list of student names, addresses, and dates of admission by course or course of instruction and a sample copy of each type of enrollment agreement employed to enroll the students listed shall be filed with the Board's Executive Director on an annual basis. The list shall be signed and verified by the school's chief managing employee. (Section 37 of the Act)*
 - 2) *Student retention and graduation rates must be maintained that are appropriate to standards in the field. A State licensing examination or professional certification examination passage rate of at least 50% of the average passage rate for schools within the industry for any State licensing examination or professional certification examination must be maintained. In the event that the school fails to meet the minimum standards, then that school shall be placed on probation for one year. If that school's passage rate in its next reporting period does not exceed 50% of the average passage rate of that class of school as a whole, then the Board shall revoke the school's approval for that program to operate in this State. Such revocation also shall be grounds for reviewing the institution's approval to operate. (Section 55 of the Act)*

Section 1095.210 Surety Bond

Each school shall provide evidence to the Board of a surety bond to protect the interests of the students. *The amount of the bond must be sufficient to provide for the repayment of full tuition to all students enrolled at the institution in the event of closure of the institution. Evidence of the continuation of the bond must be filed annually with the Board. (Section 55 of the Act)*

ATTACHMENT 2:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

- a) A school shall supply the Board with a copy of a fully executed, continuous surety bond written by a company authorized to do business in Illinois in an amount sufficient to provide cumulative unearned prepaid tuition for the Illinois students enrolled at any one time. The amount shall be no less than \$10,000.
- b) The school shall submit its projection of greatest amount of unearned prepaid tuition with its initial application for a certificate and the actual amount, based upon the record of the previous fiscal year, with each succeeding application.
- c) Should the Board determine, after applying the provisions of this Section, that the school must increase the amount of bond coverage, the school shall file a bond rider acknowledging increased coverage within 30 calendar days after receipt of the Board's notice requiring the increase.
- d) In the event of cancellation of the bond by a bonding company, the school shall furnish a fully executed replacement bond to the Board within 30 calendar days after the Board's receipt of the notice of cancellation.
- e) The bonding company shall, on the Board's request, provide reasons for bond termination within 30 calendar days after the Board's receipt of notice of the termination.
- f) Termination of the school's surety bond coverage without a replacement provided to the Board prior to the cancellation date will result in revocation of its permit of approval.
- g) When the school provides instruction at extensions, the surety bond or riders attached to the bond shall indicate coverage for all Illinois students at all sites where instruction is or will be given.

(Source: Amended at 41 Ill. Reg. _____, effective _____)

Section 1095.220 Liability Insurance

A school shall maintain continuous liability insurance from a company authorized to do business in Illinois for the protection of the school's students and employees *at the school's places of business and at all classroom extensions, including any work-experience locations.* (Section 55 of the Act)

- a) The liability insurance policy shall specify limits of liability of not less than \$100,000 per person and \$300,000 per occurrence for bodily injury liability and not less than \$50,000 per occurrence for property damage liability.
- b) The insurance policy shall include coverage for off-campus learning experiences such as student commercial employment as a part of the instructional program, internships/externships, cooperative education, and experiential learning activities, unless the school furnishes the Board a certificate of insurance evidencing such coverage is

ATTACHMENT 2:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

being provided by the employer or other person responsible for the off-campus learning experience.

- c) The school shall furnish the Board with a certificate of insurance that indicates compliance with the minimum amounts of liability insurance required by this Section.
 - 1) The insurance policy shall provide that the company issuing the policy must give written notice to the Board at least 30 days prior to the effective date of a cancellation.
 - 2) If the certificate does not so indicate, the insurer shall provide riders verifying coverage at all sites where instruction is being, or will be, given to Illinois students.

Section 1095.230 Lack of Compliance

A school shall permit the Board's Executive Director or his or her designees to inspect the school or classes from time to time with or without notice and to make available to the Board's Executive Director or his or her designees, at any time when required to do so, information, including, financial information, pertaining to the activities of the school required for the administration of the Act and this Part. (Section 55(8) of the Act)

- a) The staff of the Board shall initiate an investigation upon receipt of a verified written complaint and may initiate an investigation in response to oral or written information concerning any of the following:
 - 1) Alleged violation of any of the conditions governing issuance of the permit of approval;
 - 2) Alleged failure to comply with this Part;
 - 3) Alleged fraudulent conduct on the part of any person operating the institution or of any person, acting within the scope of his/her employment by the institution, on account of which any student ever enrolled in the institution has been injured or has suffered financial loss;
 - 4) Loss, suspension, probation or similar adverse action taken by an accrediting body with which the institution is or was affiliated;
 - 5) Actions of federal or state regulatory agencies or Offices of Attorneys General, Offices of Inspectors General, or similar bodies that affect an institution's status with those bodies.

ATTACHMENT 2:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

- b) Whenever an inspection or other information reveals lack of compliance with the Act or this Part, the Board shall send the school a report of deficiencies. The school shall have 10 days to respond to the report of deficiencies and report on actions that have been taken to correct these deficiencies.

(Source: Amended at 41 Ill. Reg. _____, effective _____)

Section 1095.240 Disclosures

All schools shall make, at a minimum, the disclosures required under Section 37 of the Act and this Part clearly and conspicuously on their Internet websites. The disclosure shall consist of a statement containing the following information for the most recent 12-month reporting period of July 1 through June 30 (Section 37 of the Act):

- a) For each program of study, report:
 - 1) The number of students who were admitted in the program as of July 1 of that reporting period.
 - 2) The number of additional students who were admitted in the program during the next 12 months and classified in one of the following categories:
 - A) New starts;
 - B) Re-enrollments; and
 - C) Transfers into the program from other programs at the school.
 - 3) The total number of students admitted in the program during the 12-month reporting period (the number of students reported under subsection (a)(1) plus the total number of students reported under subsection (a)(2)).
 - 4) The number of students enrolled in the program during the 12-month reporting period who:
 - A) Transferred out of the program and into another program at the school;
 - B) Completed or graduated from a program;
 - C) Withdrew from the school;
 - D) Are still enrolled.
 - 5) The number of students enrolled in the program who were:

ATTACHMENT 2:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

- A) Placed in their field of study;
 - B) Placed in a related field;
 - C) Placed out of the field;
 - D) Not available for placement due to personal reasons;
 - E) Not employed.
- b) *The number of students who took a State licensing examination or professional certification examination, if any, during the reporting period, as well as the number who passed. (Section 37 of the Act)*
- c) *The number of graduates who obtained employment in the field who did not use the school's placement assistance during the reporting period; such information may be compiled by reasonable efforts of the school to contact graduates by written correspondence. (Section 37 of the Act)*
- d) *The average starting salary for all school graduates employed during the reporting period; this information may be compiled by reasonable efforts of the school to contact graduates by written correspondence. (Section 37 of the Act)*
- e) *The following clear and conspicuous caption, set forth with the address and telephone number of the Board's office: "COMPLAINTS AGAINST THIS SCHOOL MAY BE REGISTERED WITH THE BOARD OF HIGHER EDUCATION". (Section 37 of the Act) (See Section 1095.250.)*
- f) Information on warning, probation, or any other type of conditional status from an accreditor, licensure body, certifying entity, or federal/state oversight agency.

(Source: Amended at 41 Ill. Reg. _____, effective _____)

Section 1095.250 Student Complaints

Schools approved by the Board must *provide to the Board and each student the school's policy for addressing student complaints. Included in this process, the school must provide in its promotional materials and on its Internet website the Board's address and Internet website for reporting complaints.* (Section 55(2) of the Act)

- a) *Student complaints must be submitted in writing to the Board (Section 85(i)(1) of the Act).*

ATTACHMENT 2:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

Information about the complaint may be submitted online through the IBHE website (www.ibhe.org). Additional information regarding the complaint process can be obtained by contacting the Board at:

Illinois Board of Higher Education
Division of Private Business and Vocational Schools
1 N. Old State Capitol Plaza, Suite 333
Springfield, IL 62701

Phone Number: (217) 782-2551

Fax Number: (217)782-8548

- b) *Board staff shall contact the school about the complaint by registered mail or other appropriate notification. The school has 10 business days to respond to the Board about the complaint. The Board shall provide a resolution determination to the school. The school may request a hearing about the proposed resolution within 10 business days after the delivery of the complaint by registered mail or other appropriate notification. If the school does not abide by the resolution determination, then the Board can issue a cease and desist order to the school. If the school does not comply with the cease and desist order, then the Board may revoke the school's permit of approval. (Section 85(i)(2) of the Act)*
- c) *The complaint may be forwarded to the institution's accrediting body. (Section 85(i)(3) of the Act)*
- d) *The Board shall annually issue a public report about the complaints received. At a minimum, the report shall include the institution, the nature of the complaint, and the current resolution status of the complaint. No individual student shall be named in the report. (Section 85(i)(4) of the Act)*

(Source: Amended at 41 Ill. Reg. _____, effective _____)

Section 1095.260 Cease and Desist Orders

The Board's Executive Director has the authority to order any school subject to the Act to cease and desist operations if the school is found to have acted contrary to the standards set forth in the Act and this Part. (Section 85 of the Act)

- a) On receipt of a cease and desist order, the school shall immediately cease and desist from all sales, advertising, marketing and enrollment activities. It shall report to the Board in writing within 15 days on actions that will be taken to correct the deficiencies cited. The report shall include the dates for completion of corrective activities.

ATTACHMENT 2:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

- b) The Board shall notify the school in writing immediately when conditions relating to issuance of the order have been rectified and the school is again eligible to resume its normal sales, advertising, marketing and enrollment functions.
- c) If deficiencies noted by the Board are not corrected within 30 days following the Board's receipt of the report, the Board shall proceed to a hearing to show why the school's permit of approval should not be placed on probation, suspended or revoked.

(Source: Amended at 41 Il Reg. _____, effective _____)

Section 1095.270 School Closing and Student Transcripts

- a) Notice Required.
A school that is closing, either voluntarily or involuntarily, shall send to the Board the following:
 - 1) Notice of the closure immediately by certified mail;
 - 2) The name, address and telephone number of the person who will be responsible for closing arrangements;
 - 3) The name, address and telephone number and the name of the course of instruction for each student who has not completed his or her course of instruction;
 - 4) Information on the amount of class time left for each student, to complete the course, with the amount of refund, if any, for which each student is eligible;
 - 5) Copies of the written notice being mailed to all enrolled students, explaining the procedures they are to follow to secure refunds or to continue their education; and
 - 6) Its permit of approval, returned immediately by mail upon cessation of instruction or termination of approved status.
- b) Teach-Out Plan
When a postsecondary educational institution now or hereafter operating in this State proposes to discontinue its operation, that institution shall cause to be created a teach-out plan acceptable to the Board, which shall fulfill the school's educational obligations to its students. Should the school fail to deliver or act on the teach-out plan, the Board is in no way responsible for providing the teach-out. (Section 70 of the Act)

ATTACHMENT 2:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

- 1) A school shall have written plans designed to protect the contractual rights of its students and graduates in the event the school closes or undergoes a change of status (e.g., if the school changes location or if its permit of approval is revoked), including the right to complete the course of instruction in which the students or graduates enrolled.
- 2) If students are receiving instruction prior to the school's closing, the school shall file a plan including the information described in subsection (b)(2)(A) with the Board to ensure that the school's students will continue to receive training of the same quality and content as that for which they contracted, as indicated in subsection (b)(2)(B).
 - A) Arrangements for transferring students to a public or another approved private school shall be filed with the Board prior to any student transfer.
 - B) Prior to approving the school's arrangements for completing its teaching obligations to students, the Board shall verify that students transferring will receive the same kind of program and instructional services as those for which they contracted.
- c) Academic Records

In the event a school proposes to discontinue its operations, the chief administrative officer of the school shall cause to be filed with the Board the original or legible true copies of all such academic records of the institution as may be specified by the Board. (Section 70 of the Act)

 - 1) Academic records include applications for enrollment and supporting documents, enrollment agreements, transcripts, and attendance records.
 - 2) *These records shall include, at a minimum, the academic records of each former student that is traditionally provided on an academic transcript, such as, but not limited to, courses taken, terms, grades, and other such information.* (Section 70 of the Act)
 - 3) *In the event it appears to the Board that any such records of an institution discontinuing its operations is in danger of being lost, hidden, destroyed, or otherwise made unavailable to the Board, the Board may seize and take possession of the records, on its own motion and without order of court.* (Section 70 of the Act)
 - 4) *The Board shall maintain or cause to be maintained a permanent file of records coming into its possession.* (Section 70 of the Act)

ATTACHMENT 2:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

- 5) *As an alternative to the deposit of records with the Board, the institution may propose to the Board a plan for permanent retention of the records that may include the transfer of records to a similar institution. The plan must be put into effect only with the approval of the Board.* (Section 70 of the Act)
 - 6) If the institution is in possession of any record or material, paper or electronic, that is not an academic record but contains personal information, a term that is defined by the Illinois Personal Information Protection Act, 815 ILCS 530/5, the institution must retain a document or material destruction company to destroy such documents or materials, if permitted by the Family Education Rights and Privacy Act, 20 U.S.C. § 1232g, in accordance with Section 40 of the Illinois Personal Information Protection Act, 815 ILCS 530/40.
 - 7) If, pursuant to the Family Education Rights and Privacy Act, 20 U.S.C. § 1232g, the institution is required to retain any record or material that is not an academic record but which contains personal information, a term that is defined by the Illinois Personal Information Protection Act, 815 ILCS 530/5, that institution must retain said records or materials in accordance with Section 45 of the Illinois Personal Information Protection Act, 815 ILCS 530/45.
 - 8) The institution must send to the Board, the Illinois Attorney General's Office - Privacy Unit, and the Department of Education designee, a certification that it has complied with its obligations under the Federal Educational Rights and Privacy Act, 20 U.S.C. § 1232g, and the Illinois Personal Information Protection Act, 815 ILCS 530/1, *et seq.*, with respect to both academic records and non-academic records or materials that contain personal information. The requirements of such certification will be provided to the institution by the Board upon receipt of Permit of Approval.
 - 9) If a state or federal law requires an institution to provide greater protections to records or materials that contain personal information, and the institution is in compliance with the provisions of that state or federal law, the institution shall be deemed to be in compliance with Section 45 of the Illinois Personal Information Protection Act, 815 ILCS 530/45.
 - 10) A violation of the Illinois Personal Information Protection Act, 815 ILCS 530/1, *et seq.* constitutes an unlawful practice under the Illinois Consumer Fraud and Deceptive Practices Act.
- d) Refund Requirements

ATTACHMENT 2:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

- 1) The school shall refund all tuition, fees and other charges if the Board, in any situation in which students are receiving instruction prior to a school's closing, determines that:
 - A) The school has not fulfilled its contractual obligations; or
 - B) A student has reasonable objections to transfer resulting from the closing.
- 2) *The school and its designated surety bonding company are responsible for the return to students of all prepaid, unearned tuition. As identified in Section 55 of the Act, the surety bond must be a written agreement that provides for monetary compensation in the event that the school fails to fulfill its obligations. The surety bonding company shall guarantee the return to the school's students and their parents, guardians, or sponsors of all prepaid, unearned tuition in the event of school closure. Should the school or its surety bonding company fail to deliver or act to fulfill the obligation, the Board is in no way responsible for the repayment or any related damages or claims. (Section 70 of the Act) (See Section 1095.210 for requirements of the surety bond.)*
- e) Transcript Requests
 - 1) The Board is the custodian of records for student transcripts from closed private business and vocational schools that have turned over their student records to the Board.
 - 2) The Board shall maintain a list of the private business and vocational schools that have closed and will publish the list on the Board website (www.ibhe.org).
 - 3) A student who attended a Board-approved school that has since closed shall use the transcript request form and procedure developed by the Board along with the applicable fees.
 - 4) The fee for a student transcript is \$10 per copy and shall be submitted as check, certified check, cashier's check or money order payable to the Illinois Board of Higher Education.
 - 5) Fees shall be submitted to:

Illinois Board of Higher Education
Division of Private Business and Vocational Schools
1 N. Old State Capitol Plaza, Suite 333
Springfield, IL 62701

ATTACHMENT 2:

BHE

23 ILLINOIS ADMINISTRATIVE CODE 1095

SUBTITLE A

(Source: Amended at 41 Ill. Reg. _____, effective _____)