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Agenda item 3.02.b

Rayburn Barton
Executive Director

May 3, 2001

MEMORANDUM

To: Mr. Dalton B. Floyd, Jr., Chairman, and Members, Commission on Higher Education

From: Ms. Dianne Chinnes, Chairman, Committee on Academic Affairs and Licensing *[Signature]*

Proposed Changes in Law and Regulations Governing Nonpublic Postsecondary Institutions

The licensing staff has drafted changes to the law and regulations under which the Commission licenses nonpublic postsecondary institutions that operate or solicit in South Carolina. The Committee on Academic Affairs and the Commission on Higher Education at meetings on November 4, 1999, and December 2, 1999, respectively, approved those proposed changes. The House Education Committee partially completed the legislative process of the changes to the statute; the Senate Education Committee did not act on the proposal. In the meantime, the staff has readdressed several issues and is seeking approval of additional proposed changes in the regulations.

The additional changes are:

- ❖ The addition of a paragraph to Regulation 62-12 (Program and Instructor Requirements for Baccalaureate Degree Programs) and to Regulation 62-13 (Program and Instructor Requirements for Graduate Programs) requires that teacher certification programs must meet the requirements of the South Carolina Department of Education.
- ❖ Proposed amendments to Regulation 62-23 (Fees) increase some fees. The fees have not changed since the regulations were adopted in 1993. The proposed changes do not exceed a 15 percent increase, which is based upon the consumer price index for 1993 – 1999. The proposed language

would also allow the Commission to increase fees using the Consumer Price Index or other appropriate indicator.

Attachment 1 shows an outline of all the proposed changes. The full documents are available on the web site of the Commission under Academic Affairs and Licensing, Nonpublic Postsecondary Institution Licensing, Proposed Changes to Law – 2001, and Proposed Changes to Regulation – 2001.

Recommendation

The Committee on Academic Affairs recommends approval of the two new proposed changes to the law and regulations governing nonpublic postsecondary institutions and authorizes the staff to pursue legislative approval in compliance with the Administrative Procedures Act.

cc: Attachment

**Outline of Proposed Changes to Regulations
Governing Nonpublic Postsecondary Institutions
March 28, 2001**

- 62-2. Remove the specific terms as defined by statute so that the regulation includes the terms by reference to the statute.
- 62-4.E. Add provision that the Commission may not license new activities if the new activities threaten the financial stability of the institution.
- 62-6.C. Refine requirement for access to sufficient learning resources and define formal agreements.
- 62-6.J.(1) Errata – correct to use parallel grammar
- 62-6.J.(2) Errata – correct to use parallel grammar
- 62-6.J.(4) Add provision that an owner or director of an institution cannot be a plaintiff or defendant in litigation that carries a significant risk to the ability of the institution to continue operation.
- 62-6.J.(5) Renumbered (4) to (5)
- 62-6.J.(6) Renumbered (5) to (6)
- 62-6.1. Add general requirement that programs offered by distance education must meet the licensing requirements and the policies, guidelines, and procedures regarding distance education adopted by the Commission.
- 62-8. Add provision that each institution must possess adequate liquid assets to make potential refunds and pay expenses in a timely fashion, and for initial licensure must possess liquid assets for start-up costs, expenses, and projected tuition income for the first term of enrollment.
- 62-8.A Expand adequate financial records requirement to specifically include proper management, controls, and business practices.
- 62-10.A. Add general education requirements for diploma programs.
- 62-10.D. Add provision that notwithstanding the requirements of Section 62-10, the Commission may license out-of-state institutions that have recognized accreditation to recruit in South Carolina.
- 62-11.B. Specify 15 semester hours in general education course requirements for associate degree programs
- 62-11.C. Add language to define purpose of associate in arts and associate in science degrees as transfer and the requirement that 50 percent of the credit hours consist of college-level courses in the arts and sciences.
- 62-11.D. Add language to require that 50 percent of occupational degree curricula be in related technical course instruction.
- 62-11.E. Renumber D to E.
- 62-11.F. Renumber E to F.
- 62-11.G. Renumber F to G.
- 62-11.H. Renumber G to H.

- 62-11.I. Renumber H to I; amend the regulation so that faculty credentials must be awarded by an accrediting agency recognized by the U.S. Department of Education instead of the Council on Postsecondary Accreditation.
- 62-11.J. Add provision that notwithstanding the requirements of Section 62-11, the Commission may license out-of-state institutions that have recognized accreditation to recruit in South Carolina.
- 62-12.A. Add language to require that baccalaureate degree programs include a minimum of 30 semester hours of general education course requirements in specific subjects.
- 62-12.D. Amend the regulation so that faculty credentials must be awarded by an accrediting agency recognized by the U.S. Department of Education instead of the Council on Postsecondary Accreditation.
- 62-12.E. Add language that teacher certification programs must meet the requirements of the South Carolina Department of Education.
- 62-13.D. Add language that teacher certification programs must meet the requirements of the South Carolina Department of Education.
- 62-14. Refine provision for learning resources so that licensed institutions ensure access via current and formal written agreements with other libraries or from other resources.
- 62-16.H. Add "South Carolina" to catalog reference to licensure by the Commission on Higher Education.
- 62-16.I. Expand references to accreditation to include program accreditation.
- 62-16.K. Add requirements and procedures for obtaining any licensure, registration, or certification required or advantageous for the occupational field.
- 62-18. Amend the regulation so that institutions approved for eligibility for Title IV Student Financial Aid must comply with the federal regulations regarding computation of refunds to students.
- 62-20. Add requirement that institutions store official student academic records in a secure vault or fireproof cabinet or store duplicates in a different building or at an off-site location, have adequate security measures in place to protect and back up electronically stored records, and have retention, disposal, and information-release policies.
- 62-20.A. Add the provision that institutions may destroy certain records no longer needed for reference as the Commission deems appropriate.
- 62-20.B. Add that institutions must maintain transcripts 50 years from graduation or termination (or a shorter time as the Commission deems appropriate for programs or courses for which it is unlikely that students will need documentation of attendance) as adequate minimum time for maintenance of "permanent" records.
- 62-20.D. Add provision that institutions must have in place at all times the capability to transfer academic records (easily accessible in format and system) for former and current students.
- 62-23.A. Increase initial licensure and renewal fees from minimum of \$100 to minimum

- of \$115 and from maximum of \$1,000 to maximum of \$1,150.
- 62-23.B.(1) Remove limit on late fee; add authority to reactivate late fee for incomplete applications for renewal of licenses.
 - 62-23.B.(2) Add authority to waive or reduce late fee in case of mitigating circumstances.
 - 62-23.C. Increase fee for amendment of license to move an existing location or site from \$50 to \$60.
 - 62-23.D. Increase fee for amendment of license to add a program from minimum of \$50 to \$75 and a maximum of \$500 to \$575.
 - 62-23.E. Increase fee for re-issuance of license for program or institution name change from \$25 to \$30.
 - 62-23.F. Increase fee for initial and renewal of agent permit from \$25 to \$30.
 - 62-23.I. Add authority to assess a fine for failure to respond in a timely manner to a request for information or for repeat violations involving deceptive trade or sales practices or advertising. The proposed language limits fines to \$1,000 per year.
 - 62-23.K. Add authority for the Commission to adjust fees based on the consumer price index or other appropriate indicator.
 - 62-25.K. Add provision to prohibit exempt institutions from claiming the Commission's oversight.
 - 62-25.M. Add provision that institutional personnel may not discredit other schools or solicit any student to leave another institution.
 - 62-26.D. Add provision that courses offered by distance education must clearly describe the method of delivery.
 - 62-26.K. Add requirements for information provided through the Internet or other electronic media.
 - 62-27.B. Add provision that if the Commission determines that circumstances upon which a student submits a complaint to the Commission justify, that notwithstanding the institution's refund policy, the Commission may require an institution to make full or partial refund of tuition or other fees.
 - 62-27.C. Add provision that the Commission may intervene on behalf of a person filing a complaint with the Commission involving an institution that is exempt from the oversight of the Commission.
 - 62-28.B. Add provision to probation authority that the Commission may require that an institution delay matriculation of new students into a new class term.