



Rayburn Barton
Executive Director

October 5, 2000

MEMORANDUM

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

From: Ms. Dianne Chinnes, Chairman, *DC/gmm*
Committee on Academic Affairs and Licensing

Annual Report on
Nonpublic Postsecondary Institution Licensing Activities
Year Ended 6/30/00

The following report is presented for information on an important area of Commission activity and requires no action by the Commission at this time.

Background

The Nonpublic Postsecondary Institution License Act stipulates that the Commission on Higher Education is the sole authority for licensing nonpublic educational institutions established in South Carolina or elsewhere to operate in or confer degrees in South Carolina. Certain institutions are exempt, such as institutions the Secretary of State chartered before 1953, and Bible and theological schools.

The License Act and implementing regulations (Chapter 62, Commission on Higher Education Regulations 62-1 through 62-28) define licensing criteria as follows:

- The course, program, curricula, and instruction must be of quality, content, and length to achieve reasonably and adequately the stated objective for which the institution offers the course, program, curriculum, or instruction.
- Adequate space, equipment, and instructional material must be available to provide training and education of good quality.
- The institution must enforce satisfactory policies and maintain records to document student attendance, progress, and grades.
- The institution must be financially sound and able to fulfill its commitments for education or training.

- The institution must provide a performance bond that the Commission holds to protect students in the event the institution closes owing tuition refunds.
- Institution owners and directors must be appropriately experienced and educated and of good reputation and character.
- Institutions must publish a catalog, bulletin, or brochure with specific disclosures, including a refund policy providing a pro-rata refund for the first 60 percent of the first term for which students are obligated.
- Advertising or the institution's name cannot be erroneous or misleading.
- Student living quarters which the institution owns, maintains, or approves must be appropriate, safe, and adequate.

Before the Commission issues a license, the institution must meet each licensing criterion. The Commission typically grants licenses for nondegree-granting institutions for 12 months. The licenses are renewable annually and are reviewed and approved by the licensing staff. The licensing staff (or a committee of examiners) review and recommend licenses and renewal of licenses for degree-granting institutions for periods not to exceed five years. The Commission's Committee on Academic Affairs and Licensing reviews, considers, and votes on those recommendations, as does the Commission. Annual reports are submitted by degree-granting licensed institutions and include payment of fees, enrollment reports, financial statements, confirmation that bonds in the required amounts and liability insurance remain in place, and updated publications.

Licensing activities for FY 1999-2000

The total number of active licenses as of June 30, 2000, was 175, and included 23 in-state locations for degree-granting institutions and eight out-of-state degree-granting institutions that recruit within the state. Licenses granted to non-degree-granting institutions totaled 144 for occupational training courses in tax preparation, massage therapy, nurse aid, travel agent, modeling, computer networking, pet grooming, Montessori teacher training, bartending, cardiac device technology, dental assisting, general business, medical assisting, and ultrasound.

Agent Permits

The Commission issues permits to agents or solicitors who recruit or enroll residents of the State into licensed programs off the premises of the institution, whether the institution is located in the State or outside the State. The staff issued 52 permits during the fiscal year ending on June 30, 2000.

Student Complaints

The Licensing regulations require that each institution include a complaint procedure in its catalog. The procedure typically includes a formal process by which a student may approach institution officials and seek resolution through the institution. If the student cannot reach a satisfactory conclusion, he or she may submit a complaint to the licensing staff. For the licensing staff to take formal action on a complaint, the student must submit it in writing, must include permission to send a copy of the complaint to the institution, and must include documentation that the student attempted to resolve the complaint directly with the institution. The licensing staff then forwards the complaint to the institution requesting that the institution investigate the allegations and respond before a specific date. The institution forwards its response to the licensing staff, and the staff reviews the response and determines whether the allegations establish a violation of licensing standards. If the staff recommends no further action, it forwards confirmation to the institution and to the complainant. If the staff determines that there is evidence that the institution may no longer be maintaining the standards, it may proceed with more in-depth investigation.

Students often hesitate to submit formal complaints. In those instances, licensing staff may investigate the institution for compliance as part of the annual report or renewal process, or the staff may contact the institution directly to negotiate a resolution.

During the year ending on June 30, 2000, licensing staff received 16 complaints about 11 institutions. Some issues were failure to provide adequate instruction, failure to make refunds, access to records, and insufficient notice of changes for graduation requirements. The staff resolved the complaints as follows:

- 2 Negotiated refunds
- 3 Mediated institutional changes in policies
- 1 Issued cease and desist operating request until licensure obtained
- 3 Determined bogus on an exempt training provider
- 3 Referred to other oversight entities
- 1 Located the owner of a closed school for records
- 3 Determined instructor credential requirements were being met

Student Records

The Commission has possession of student records from several schools that closed. The former students of the institutions need access to their transcripts so that they are able to document their attendance. The records are used for documenting credit for transfer, for military pay grade level elevation, for awarding positions that require postsecondary education or training by employers, and for justifying requests for

forgiveness of student loans under the provisions of the 1992 Reauthorization Act. The records are stored in rented warehouse space. The staff received 176 requests for transcripts during the fiscal year ended June 30, 2000.

Fees

In addition to initial licensure fees, institutions pay licensing fees annually with renewals or annual reports. Initial and annual fees are based on gross tuition income and range from a minimum of \$100 to a maximum of \$1,000. Institutions also pay fees for late reporting, agent permit, and amendments to add or modify programs. Former students of closed schools pay a transcript fee. Fee income for fiscal year ended June 30, 2000 totaled \$56,178.23.

Other Licensing Activities

Licenses issued:	193
Exemptions issued:	19
Packets distributed for initial licensure:	64
School visits:	118

Institutions Licensed to Operate in S.C.

Attached is a list of institutions licensed to operate in South Carolina as of June 30, 2000.

Degree Granting Institutions Licensed in SC as of June 30, 2000

In State

Forrest Junior College, Anderson
Greenville County Museum School of Art
Sherman College of Straight Chiropractic, Spartanburg
South College of Carolina, Inc., d/b/a Columbia Junior College, Columbia

Out of State Operating In State

ECPI College of Technology, Greenville
Gallaudet University, Washington, DC
ITT Technical Institute, Greenville
Johnson & Wales University, Charleston
Lesley College, Charleston, Myrtle Beach, Columbia
North Carolina State University, Hartsville
Norwich University, Vermont College, Montpelier, VT (non-site specific)
Nova Southeastern University, Columbia, Greenwood, Spartanburg, Aiken, Greenville
San Diego Golf Academy d/b/a The Golf Academy of the Carolinas, Myrtle Beach
Webster University, Charleston, Myrtle Beach, Greenville

Recruit only

Cleveland Institute of Electronics, Inc., Cleveland, OH
DeVry Institute of Technology, Decatur and Alpharetta, GA; Chicago, IL; Columbus, OH; Phoenix, AZ
Nashville Auto-Diesel College, Nashville, TN
Universal Technical Institute, Houston, TX

Non-Degree Institutions Licensed in SC as of 6/30/00

Alliance Tractor Trailer Training, Arden & Benson, NC	H&R Block Eastern Tax Services, Inc.
Alpha School of Massage, Greenville	Harvest Training Center, Charleston
American Red Cross, Greenville	Ikon/Computer Group, Columbia, Charleston, Greenville
Arrhythmia Technologies, Greenville	Institute of Aromatherapy, Denville, NJ
Art Instruction School, Minneapolis, MN	Institute of Guided Studies, Lugoff
At-Home Professionals, Ft. Collins, CO	International Models, Charlotte & Columbia
Beta Tech, Charleston	International Visions Travel, Greenville
Bartending Mixology Institute, Duncan	Jackson Hewitt Tax Service
Carolinas School for Dental Assisting, Anderson	John Cassablancas Modeling & Career Center, Charlotte
Charleston School of MT	Low Country Nurse Aid, Charleston
Charleston Ultrasound Institute	M&M Income Tax School, Greenville
Clemson Montessori d/b/a Montessori Teacher Training	Massage School of MTA, Greenville
Clinton Institute, Phoenix, AZ	Millie Lewis Modeling/Finishing, Greenville
Columbia Health Care	Millie Lewis Models and Talent, Charleston
DoveStar, Hilton Head	Millie Lewis of Columbia
Euro Inst of Complementary Therapies, Hilton Head	National Tax, Columbia (3)
GA Institute of MT, Augusta, GA	National Training, Inc., Orange Park, FL
Greenville School of MT	NCPT, Inc., Atlanta, GA
Greenville Museum School of Art	New Life Center, Myrtle Beach
	North American Institute of Aviation, Conway

Pal Travel, Columbia
Pinewood School of MT, Spartanburg
Rhodes-Murphy Income Tax School, Aiken
SC School of Dog Grooming, Columbia
SC School of MT, West Columbia
SE Academy, Kissimmee, FL
SE Neuromuscular & MT, Charleston, Cola, GV
Southern Institute of Pet Grooming, Central
Tiger Tax, Pendleton