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Agenda item 3.02.K

**Commission on  
Higher Education**

Rayburn Barton  
Executive Director

November 1, 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

(For Information Only)

**Annual Report on Nonpublic Postsecondary Institution Licensing Activities  
FY 2000-2001**

**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 2000-2001**

The total number of active licenses as of June 30, 2000, was 178, and included 23 in-state locations for degree-granting institutions and nine 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, and medical assisting.

The staff of the Commission receives requests about licensing requirements from officials who represent existing out-of-state institutions and from individuals who are investigating the requirements for operating a new institution in South Carolina. The staff answers general questions about the licensing requirements and process and sends to these individuals a packet including the procedures, statute, regulations, application, and other forms germane to the licensing process. Upon initial review of an application, if the staff determines that the institution does not meet the requirements, the staff counsels with the officials at the institution to determine whether the institution can make adjustments to accomplish compliance. In some instances, the institution withdraws the application. As the following data reflects, most who inquire about the requirements do not apply for licensure.

	2000-2001	1999-2000	1998-1999
Total initial packets distributed	47	64	62
Those indicating an interest in granting degrees	10	21	26
CHE approved initial licensure for degree granting authority	2	1	0

### **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 78 permits during the fiscal year ending on June 30, 2001.

### **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, 2001, licensing staff received 44 complaints about 31 institutions. Some issues were failure to provide adequate instruction, failure to make refunds, access to records or account information, and teaching modalities. Five complaints are pending; the remaining were resolved as follows:

- 13 Referred to other oversight entities
- 6 Determined institutions operated within requirements
- 5 Advised of appropriate process or procedures

- 4 Mediated institutional changes in policies or action
- 3 Negotiated refunds
- 3 Determined no oversight entity, caveat emptor
- 3 Determined beyond CHE authority, but mediated to obtain information
- 1 Issued cease and desist operating request until licensure obtained

### **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 286 requests for transcripts during the fiscal year ended June 30, 2001.

### **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, 2001 totaled \$47,925.39.

### **Other Licensing Activities**

Licenses issued:	169
School visits:	138
Exemptions issued:	19

### **Institutions Licensed to Operate in S.C.**

Attached is a list of institutions licensed to operate in South Carolina as of June 30, 2001.

## **Degree Granting Institutions Licensed in SC as of June 30, 2001**

### **In State**

Forrest Junior College, Anderson  
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  
Gardner-Webb University, Spartanburg  
ITT Technical Institute, Greenville  
Johnson & Wales University, Charleston  
Lesley College, Charleston, Myrtle Beach, Columbia, Florence  
Miller-Motte Technical College, Charleston  
North Carolina State University, Hartsville  
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, Columbia

### **Recruit only**

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

## **Non-Degree Institutions Licensed in SC as of 6/30/01**

ABC Bartending, Greer	DoveStar, Hilton Head
Alliance Tractor Trailer Training, Arden & Benson, NC	Euro Inst of Complementary Therapies, Hilton Head
Alpha School of Massage, Greenville	Greenville School of MT
American Red Cross, Greenville	H&R Block Eastern Tax Services, Inc.
Arrhythmia Technologies, Greenville	Harvest Training Center, Charleston
Art Instruction School, Minneapolis, MN	Ikon/Computer Group, Columbia, Charleston, Greenville
At-Home Professionals, Ft. Collins, CO	Institute of Guided Studies, Lugoff
Beta Tech, Charleston	International Visions Travel, Greenville
Barbizon Academy of Charlotte, NC	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  
Millie Lewis of Columbia  
Myotherapy Institute of Massage, Salt Lake  
City, UT  
National Tax, Columbia  
NCPT, Inc., Atlanta, GA  
North American Institute of Aviation,  
Conway  
SC School of Dog Grooming, Columbia &  
Myrtle Beach  
SC School of MT, West Columbia &  
Myrtle Beach  
SE Neuromuscular & MT, Charleston,  
Cola, GV  
Southern Institute of Pet Grooming, Central  
Tiger Tax, Pendleton