

# ILLINOIS: FINAL GRADING ANALYSIS

OVERALL SCORE:  
**408.5 / 700 POINTS**  
**58%**  
LETTER GRADE: **F**

## I. OVERSIGHT BODY: **53/100 POINTS**

A. IS THERE A STATUTORILY CREATED OVERSIGHT BODY THAT IS  
PUBLICLY ACCOUNTABLE?

**50 / 60 POINTS**

Element	Points Available	Points Awarded
<b>Multi-Member Panel / Board created by statute.</b>	10	10
<b>Board statutorily created specifically to oversee private postsecondary institutions.</b>	10	0
<b>Board is the decision-maker</b>	10	10
<b>Board can engage in rule-making</b>	10	10
<b>Meetings must be open to the public</b>	5	5
<b>Must allow public comment</b>	5	5
<b>Board can initiate investigations</b>	5	5
<b>Board can impose penalties for violations</b>	5	5
<b>Total Points</b>	<b>60</b>	<b>50</b>

**Explanation:**

The Illinois Board of Higher Education oversees public and private oversees postsecondary institutions in Illinois. **105 ILCS 426; 110 ILCS 205; 110 ILCS 1005** The board has authority to engage in rulemaking, initiate investigations, and impose penalties for violations. **110 ILCS 1005/14; 110 ILCS 1005/6; 110 ILCS 1005/5; 110 ILCS 1005/6; 110 ILCS 1005/10**. The Illinois Open Meetings Act (**5 ILCS 120/ et seq.**) requires that meetings of the board are open to the public and allow opportunity for the public to comment. **5 ILCS 120/2.06(g)**

**B. STATUTE-SPECIFIED MEMBERSHIP:**

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**1. TO WHAT EXTENT ARE LIMITATIONS PLACED ON FOR-PROFIT MEMBERSHIP ON THE OVERSIGHT BODY?**

**0/ 25 POINTS**

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<b>Explicit Prohibition on For-Profit majority + No possibility of a majority of the quorum</b>	<b>Explicit Prohibition on For-Profit Majority</b>	<b>Discouraged</b>	<b>No prohibition Specified, but not discouraged</b>	<b>For Profit Majority Mandated</b>
25 Points	20 Points	10 Points	<b>0 Points</b>	-5 points

**Explanation:**

The Illinois Board of Higher education oversees all degree-granting and non-degree-granting postsecondary institutions in Illinois. (105 ILCS 426; 110 ILCS 1005; 110 ILCS 1010) There is nothing either expressed or implied through the specified make-up of the board that prohibits or discourages for-profit interests from dominating the Illinois Board of Higher Education. The board make up is as follows 110 ILCS 205/2:

16 members which must include one member of a public university governing board: 10 public members are appointed by the governor with the advice and consent of the senate, one member of a public university governing board, one member of a private college or university board of trustees, the chairman of the Illinois Community College Board; the chairman of the Illinois Student Assistance Commission; and 2 student members (one of whom must be a non-traditional undergraduate).

One of the 10 members appointed by the governor with the advice and consent of the senate must be a faculty member at an Illinois public university, no further requirements are enumerated with regard to these 10 members, except that the board as a whole shall not include more than 7 members of the same political party. Thus, a political party is prohibited from attaining a majority on the board, but there are no such restrictions on for-profit interests.

**2. IS THE OVERSIGHT BODY IS MANDATED TO INCLUDE AT LEAST ONE CONSUMER ADVOCATE?**

**0/10 POINTS**

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<b>Yes</b>	<b>No</b>
10 Points	<b>0 Points</b>

**Explanation:**

There is no specific mandate in Illinois law that the Illinois Board of Higher Education include a consumer advocate.

3. ARE THE MEMBERS APPOINTED BY A PUBLICLY ACCOUNTABLE OFFICIAL OR ELECTED IN A GENERAL ELECTION?

**3/5 POINTS**

All	<b>Majority</b>	Half	Minority	None
5 Points	<b>3 Points</b>	2.5 Points	1 Point	0 Points

**Explanation:**

The governor appoints 10 members with the advice and consent of the senate, and two members without the advice and consent of the senate. Two members are the Chairman of another state board and a state commission. Finally, two members are appointed by the recognized advisory committee of students of the Board of Higher Education. **110 ILCS 205/2**

II. STATE OVERSIGHT – EFFICACY: **42.5 /100 POINTS**

A. DOES THE STATE REQUIRE ONSITE REVIEW OF PRIVATE POSTSECONDARY INSTITUTIONS?

**0/10 POINTS**

*\*Points for Type 1 and Type 2 have been averaged to calculate the score for this element.*

	Mandatory On-Site Reviews			Discretionary	None
	Every 2 years or less	Every 3-5 years	Over 5 years	Discretion to conduct Onsite Reviews	No Review Specified
Type 1	10 Points	8 Points	5 Points	3 Points	<b>0 Points</b>
Type 2	10 Points	8 Points	5 Points	3 Points	<b>0 Points</b>

**Explanation:**

There are three major acts in Illinois that relate to private postsecondary institutions, the 1945 Private College Act (the 1945 Act) **110 ILCS 1005/ et seq.**, the 1961 Academic Degree Act (the 1961 Act) **110 ILCS 1010/ et seq.**, and the Private Business and Vocational Schools Act of 2012 (2012 Act) **105 ILCS 426/ et seq.** Private, degree-granting postsecondary institutions in Illinois are governed by the 1945 Act, the 1961 Act, or both. Private postsecondary institutions in Illinois that offer an organized academic program of study beyond the secondary school level, but below the associate's degree level (non-degree-granting) are governed by the Private Business and Vocational Schools Act of 2012.

Illinois does not require on-site review for the maintenance of approval for either degree-granting or non-degree-granting postsecondary institutions.

Most degree-granting private postsecondary institutions in Illinois must be approved to operate under both the 1945 Act and the 1961 Act. In either case, onsite reviews are discretionary and there is no timeframe given for such reviews. **23 Ill. Adm. Code 1030.70; 23 Ill. Adm. Code 1030.80**

Likewise, there is no regularly mandated onsite review for schools governed by the Private Business and Vocational School Act of 2012 (non-degree-granting). These schools are required to “permit the Board's Executive Director or his or her designees to inspect the school or classes thereof **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 this Act and the standards and rules adopted under this Act.” **105 ILCS 426/55(8)**. (Emphasis added).

**B. DOES THE STATE REQUIRE UNANNOUNCED INSPECTIONS FOR ONSITE REVIEWS?  
3/ 5 POINTS\***

*\*Points for Type 1 and Type 2 have been averaged to calculate the score for this element*

	Required Unannounced Visits	Discretion to do Unannounced Visits	No indication
<b>Type 1:</b>	5 Points	3 Points	0 Points
<b>Type 2:</b>	5 Points	3 Points	0 Points

**Explanation:**

***Type 1: Institutions governed by the 1945 and / or 1961 Act:***

“Any duly authorized employee or other representative of the Board may enter upon the premises of any degree granting institution and inspect or otherwise examine the same and any books, papers or other records pertaining to the degree granting program of such institution. For failure to permit such entry, inspection or examination or for obstruction thereof, the Board may invalidate any notice filed with it by the degree granting institution and revoke any authorization made pursuant to Section 4 of this Act and may refuse to accept another notice from or on behalf of such institution or any person connected with the administration thereof until such refusal or obstruction has been withdrawn. Any action taken pursuant to this Section shall be in addition to any other penalty which may be imposed for violation of this Act.” **110 ILCS 1010/6**

***Type 2: Schools governed by the Private Business and Vocational Schools Act of 2012:***

These schools are required to “permit the Board's Executive Director or his or her designees to inspect the school or classes thereof 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 this Act and the standards and rules adopted under this Act.” **105 ILCS 426/55(8)**

**C. DOES THE STATE REQUIRE REGULAR REVIEWS OF PRIVATE POSTSECONDARY APPROVAL TO OPERATE?  
12.5/20 POINTS\***

*\*Points for Type 1 and Type 2 have been averaged to calculate the score for this element*

	Mandatory	Discretionary	None

	Every 2 years or less	Every 3-5 years	Over 5 years	Discretion to Conduct Reviews	No Review Specified
<b>Type 1:</b>	20 Points	15 Points	10 Points	<b>5 Points</b>	0 Points
<b>Type 2:</b>	<b>20 Points</b>	15 Points	10 Points	5 Points	0 Points

**Explanation:**

***Type 1: Institutions governed by the 1945 and /or 1961 Act:***

There is one provision, at **23 Ill. Adm. Code 1030.80(b)(2)**, that gives the Board discretion to review and/or visit authorized institutions and/or their degree programs in the fifth year of the degree program’s existence. (“**may** include a review in the fifth year of a new degree program's existence”). This statute applies to institutions and degree programs that fall under the 1961 Act. Otherwise, reviews of institutions and degree programs that fall under the 1945 Act, the 1961 Act, or both, are discretionary and there is no other specified timeframe for review in Illinois law. The reviews are conducted “as necessary for the implementation of the statute.” **23 Ill. Adm. Code 1030.70; 23 Ill. Adm. Code 1030.80.**

***Type 2: Institutions governed by the 2012 Act:***

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 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) Schools are required to 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.** **23 Ill. Adm. Code 1095.200** (emphasis added) see also: **105 ILCS 426/50.** “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...” Illinois receives full credit here because though permits of approval are good for five years; Illinois requires information to be submitted annually and applies serious penalties for the failure to annually submit this information and for substandard performance. **23 Ill. Adm. Code 1095.200(d)(2)**(red highlight)

Illinois’ points were determined by averaging the two scores. (5 points for schools governed by the 1945 and /or 1961 Acts and 20 points for schools governed by the 2012 Act)

**D. DOES THE CRITERIA FOR RENEWAL OF AUTHORIZATION MANDATE A REVIEW OF FACTORS ESSENTIAL TO ACADEMIC AND ETHICAL INTEGRITY?**

**15.5/ 20 POINTS\***

*\*Points for Type 1 and Type 2 have been averaged to calculate the score for this element.*

	<b>All 8 Required</b>	<b>7 of 8</b>	<b>6 of 8</b>	<b>5 of 8</b>	<b>4 of 8</b>	<b>3 of 8</b>	<b>2 of 8</b>	<b>1 of 8</b>	<b>0 of 8</b>
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Type 1	20 Points	17.5 Points <i>+1point</i>	15 Points	12.5 Points	10 Points	7.5 Points	5 Points	2.5 Points	0 Points
Type 2	20 Points	17.5 Points	15 Points	<b>12.5 Points</b>	10 Points	7.5 Points	5 Points	2.5 Points	0 Points

Element	Type 1	Type 2
<b>Admission Requirements</b>	<b>M</b>	
<b>Graduation Requirements</b>	<b>M</b>	<b>M</b>
<b>Placement Rate</b>	<b>M</b>	<b>M</b>
<b>Completion Rate (or Graduation Rate)</b>	<b>M</b>	<b>M</b>
<b>Advertising Practices</b>	<b>M</b>	<b>M</b>
<b>Cohort Default Rate</b>	<b>M</b>	
<b>Accreditation Status</b>	<b>M</b>	<b>M</b>
<b>Financial Aid Policies</b>	<b>D</b>	

*M= Mandatory; D= Discretionary*

**Explanation:**

***Type 1: Institutions governed by the 1945 and / or 1961 Acts:***

Illinois requires most of the elements enumerated in the above chart as mandatory conditions of institutional approval. The only condition of which there is no explicit requirement of review is the institutional financial aid policies; however, there is a requirement that institutions collect financial aid data, which would require some examination of the financial aid policies albeit limited, so Illinois receives partial credit here. After five years, Illinois requires a review at which point the Board may deny a continuation of the initial approval or offer a limited extension if the institution has failed to implement and maintain the conditions that were presented in its application and that formed the basis upon which authorizations were granted. This would necessarily require a review of the mandatory conditions precedent to an institution’s initial approval. (Institutions governed by the 1945 Act as well as the 1961 act are covered in **23 Ill. Adm. Code 1030.30**)

***Type 2: Institutions governed by the 2012 Act:***

Illinois requires these schools to provide data related to five of the elements indicated above to support the satisfaction of the requirements of the 2012 Act. In order to maintain approval, schools are required to submit a renewal application each year for the 4 years following the issuance of a permit of approval by the Board and to submit an application for the permit of approval in the last year of the 5-year period. Schools are required to maintain data on graduation rates, retention rates, and exam passage rates. **105 ILCS 426/55** Non-public schools that enroll one or more students receiving Monetary Award Program grants and any non-public school that confers graduate and professional degrees must provide data related to enrollment, completion, and student characteristic information on students enrolled in institutions of higher learning for purposes of the Longitudinal Education Data System Act in order to maintain approval to operate. (**105 ILCS 13/15**).

The language related to enrollment, completion, and student characteristic information, while

mandatory for purposes of data collection for the Longitudinal Education Data System Act, is discretionary for purposes of review for maintenance of approval. Additionally, schools are required to submit any information previously submitted by the school that has not been reported by the school since the filing of the application for the prior permit of approval. Schools are required only to provide data *as requested by the Board* to support the satisfaction of the requirements of the 2012 Act. Illinois requires schools to maintain a State licensing examination or professional certification examination passage rate of at least 50% of the average passage rate for schools within the industry, if a school's average falls below 50%, the board is required to put the school on probation for a year. In this instance, records would have to be reviewed annually – so Illinois receives partial credit for this requirement. Illinois receives for this requirement 2 points for discretionary elements and 2 bonus points for the licensing exam passage rate requirement because though it is not an element specified by the model used for grading herein, it is an element related to academic integrity and Illinois requires annual review of the element as a condition of maintenance of approval to operate. (105 ILCS 426/55)

E. DOES THE STATE'S OVERSIGHT DISTINGUISH BETWEEN FOR-PROFITS AND NON-PROFITS?

**7.5/15 POINTS\***

*\*Points for Type 1 and Type 2 have been averaged to calculate the score for this element.*

	Yes, strongly distinguished	Yes, moderately distinguished	Yes, Slightly Distinguished	Not distinguished
Type 1	15 Points	10 Points	5 Points	0 Points
Type 2	15 Points	10 Points	5 Points	0 Points

**Explanation:**

**Type 1: Institutions governed by the 1945 and / or 1961 Acts:**

Illinois distinguishes for-profit institutions from not-for-profit institutions in the definitions section of the law related to the 1945 and 1961 Acts, where the law specifies that Illinois proprietary institutions do not include not-for-profit institutions (23 Ill. Adm. Code 1030.20).

**Type 2: Institutions governed by the 2012 Act:**

Illinois does not distinguish between for-profit and non-profit institutions.

F. DOES THE STATE REQUIRE INCREASED OVERSIGHT/SCRUTINY OF PRIVATE POSTSECONDARY INSTITUTIONS BASED ON POOR PERFORMANCE?

**4/10 POINTS\***

*\*Points for Type 1 and Type 2 have been averaged to calculate the score for this element*

	Yes, Mandatory	Yes, Mandatory but Limited	Yes, Discretionary	Yes, Discretionary but Limited	No
Type 1:	10 Points	7.5 Points	5 Points	2.5 Points	0 Points
Type 2:	10 Points	7.5 Points	5 Points	2.5 Points	0 Points

**Explanation:**

***Type 1: Schools governed by the 1945 and/or 1961 Acts:***

There is no indication that these schools are subject to increased scrutiny or review when they perform poorly.

***Type 2: Schools governed by the 2012 Act:***

Illinois requires private postsecondary institutions governed by the 2012 Act to maintain satisfactory student retention and graduation rates and State licensing examination or professional certification examination passage rates. 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 do so, then Illinois law requires that the school is 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 is required to revoke the school's approval for that program to operate in this State. 105 ILCS 426/55 (9)*** This increased scrutiny is limited to instances in which schools underperform with regard to their exam passage rate, so it is mandatory, but limited.

The points given for schools governed by the 1945 and / or 1961 Acts are averaged with those given for schools governed by the 2012 Act.

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G. DOES STATE LAW INCLUDE ANY SPECIAL PROTECTIONS FOR VETERANS WHO ATTEND PRIVATE POSTSECONDARY INSTITUTIONS?

**0/20 POINTS**

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Yes	No
20 Points	0 Points

**Explanation:**

Illinois does have a law in place, the Higher Education Veterans Service Act (**110 ILCS 49**) to meet the unique educational needs of servicemen/women. However, the law applies only to **public** colleges and universities in Illinois, the state has no equivalent law for either the schools governed by the 1945 and/or 1961 Acts or the schools governed by the 2012 Act. Therefore the state does not receive points for this element.

III. STATE OVERSIGHT - SCOPE & INCLUSION:

**75 / 100 POINTS**

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A. ARE EXEMPTIONS TO STATE OVERSIGHT COVERAGE LIMITED?

**75/100 POINTS**

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*\*The points for Type 1 and Type 2 institutions have been averaged for the final element score, above.*



	No Exemptions	Few Exemptions	Moderate Exemptions	Heavy Exemptions
Type 1	100 Points	75 Points	50 Points	0 Points
Type 2	100 Points	75 Points	50 Points	0 Points

**Explanation:**

***Type 1: Institutions governed by the 1945 and/ or 1961 Acts:***

The 1961 Act (Academic Degree Act) contains very few, limited, common sense exemptions specifically, nursing programs regulated under the Nurse Practice Act, in-training programs by corporations or other business organizations for the training of their personnel; education or other improvement programs by business, trade and similar organizations and associations for the benefit of their members only; or apprentice or other training programs by labor unions. The only further exemptions enumerated in **23 Ill. Adm. Code 1030.10**, are public institutions, institutions that were established and offering degrees in Illinois prior to July 17, 1945 ( for purposes of the 1945 Private Colleges Act) and institutions that were operating or authorized to operate in Illinois on August 14, 1961 (for purposes of the 1961 Academic Degree Act). Exceptions here are limited to include a specialized program of study governed by another act and other common sense exemptions. The exceptions also include institutions that have been in operation for over 50 years. Illinois receives credit for “few exemptions” here.

***Type 2: Schools governed by the 2012 Act:***

Few exemptions, which include common sense exemptions for schools that are covered by other acts, for example, schools that offer religious instruction, schools that offer mediated instruction products through a media, not intended to result in the acquisition of training for a specific employment field, and not intended to be applied toward a degree. Very narrowly tailored exceptions include any institution and the franchisees of that institution that exclusively offer a program of study in income tax theory. Schools with no physical presence in the state are excepted as well, with has well-defined, narrow criteria. However it does create a gap in oversight.

**IV. DISCLOSURE REQUIREMENTS: 42.5 /100 POINTS**

**A. ARE INSTITUTIONS REQUIRED TO DISCLOSE INSTITUTIONAL PERFORMANCE MEASURES TO POTENTIAL STUDENTS?**

**5/20 POINTS\***

*\*Points for Type 1 and Type 2 have been averaged to calculate the score for this element*

	Yes, Mandatory	Yes, Discretionary	None
	Fact sheet or equivalent required to be given to students:	Fact sheet or documents given to students upon request:	No Performance Fact Sheet Required
<b>Type 1:</b>	20 Points	10 Points	<b>0 Points</b>
<b>Type 2:</b>	20 Points	<b>10 Points</b>	0 Points

**Explanation:**

***Type 1: Institutions governed by the 1945 and / or 1961 Acts:***

Illinois does not require institutions to make any disclosures to students with regard to institutional performance, nor does the state require these institutions to maintain any statistics or information related to institutional performance to be available upon request. Illinois receives zero points for this element as it relates to Institutions governed by the 1945 and /or 1961 Acts.

***Type 2: Institutions governed by 2012 Act:***

These institutions are required to provide disclosures on their website, which is accessible to all students, but the schools are not required to ensure that the students receive a fact sheet or anything referring them to the website which contains the disclosure prior to the students' enrolling in school. Therefore, Illinois receives partial credit for this element as it relates to schools governed by the 2012 Act. Illinois requires the disclosures to be publicly available, but the student must, essentially, ask for these disclosures because the student must look online for them. Thus, they are provided upon request. **105 ILCS 426/37(9)**

The points for Institutions governed by the 1945 / 1961 Acts and those governed by the 2012 Act have been averaged in the final point score for this element.

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**B. WHICH INSTITUTIONAL PERFORMANCE DISCLOSURES ARE REQUIRED TO BE GIVEN TO STUDENTS PRIOR TO ENROLLMENT?**

**20/60 POINTS\***

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*\*Points for Type 1 and Type 2 have been averaged to calculate the score for this element*

***Type 1:***

<b>Disclosures:</b>	<b>Mandatory</b>	<b>Discretionary</b>	<b>Not Specified</b>
<b>Cohort Default Rate (CDR)</b>	10 Points	5 Points	<b>0 Points</b>
<b>Graduation / Completion Rates</b>	<b>10 Points</b>	5 Points	0 Points
<b>Placement Rates</b>	10 Points	5 Points	<b>0 Points</b>
<b>Wage Information</b>	10 Points	5 Points	<b>0 Points</b>
<b>License Exam Passage Rates</b>	10 Points	5 Points	<b>0 Points</b>
<b>Methods &amp; Sources used to Calculate</b>	10 Points	5 Points	<b>0 Points</b>

**Explanation**

***Type 1: Institutions governed by the 1945 and /or the 1961 Acts:***

Illinois requires institutions to provide students with a statement of the institution's most recent graduation rates and the numbers of graduates and enrollments as provided by the institution to the Integrated Postsecondary Education Data System (IPEDS). There is no exception if the institution does not report data to IPEDS. **23 Ill. Adm. Code 1030.30(a)(5)**

***Type 2:***

Disclosures:	Mandatory	Discretionary	Not Specified
<b>Cohort Default Rate (CDR)</b>	10 Points	5 Points	<b>0 Points</b>
<b>Graduation / Completion Rates</b>	<b>10 Points</b>	5 Points	0 Points
<b>Placement Rates</b>	<b>10 Points</b>	5 Points	0 Points
<b>Wage Information</b>	<b>10 Points</b>	5 Points	0 Points
<b>License Exam Passage Rates</b>	<b>10 Points</b>	5 Points	0 Points
<b>Methods &amp; Sources used to Calculate</b>	10 Points	5 Points	<b>0 Points</b>

**Explanation:**

***Type 2: Institutions that are governed by the 2012 Act:***

Illinois requires these institutions to disclose to students information related to completion rates, placement rates, and average starting salary. Here, Illinois loses points for not requiring disclosures related to cohort default rates and methods and sources used to calculate rates.

The points for Institutions governed by the 1945 / 1961 Acts and those governed by the 2012 Act have been averaged in the final point score for this element.

**C. DOES THE STATE REQUIRE SCHOOLS TO INCLUDE ELEMENTS ESSENTIAL FOR STUDENTS TO MAKE AN INFORMED DECISION PRIOR TO ENROLLMENT OR IN THE ENROLLMENT CONTRACT?**

**17.5/ 20 POINTS\***

*\*Points for Type 1 and Type 2 have been averaged for final element score above.*

***Type 1:***

Element Description	Mandatory	Discretionary	Not Specified
<b>Total Cost of Program</b>	<b>5 Points</b>	2.5 Points	0 Points
<b>Refund Information</b>	<b>5 Points</b>	2.5 Points	0 Points
<b>Transferability of Credits</b>	<b>5 Points</b>	2.5 Points	0 Points
<b>Length of Program</b>	<b>5 Points</b>	2.5 Points	0 Points

**Explanation:**

***Type 1: Institutions governed by the 1945 and/ or 1961 Acts:***

Illinois receives full credit here because though the state does not require all of the elements in the enrollment contract **23 Ill. Adm. Code 1030.30(a)(13)**; it requires institutions to disclose several of the elements to students PRIOR to enrollment. **23 Ill. Adm. Code 1030.30(a)(5)(B)**

Specifically, Illinois requires the following consumer information to be provided in the enrollment contract (“including, but not limited to”): an explanation of all criteria and requirements for retention, progress toward degree, and graduation of the student; the institution’s tuition, cancellation, and refund policies; and a statement of the purpose and amount of any fees assessed. **23 Ill. Adm. Code 1030.30(a)(13)**

Additionally, Illinois requires institutions to provide the following information to students prior to enrollment: Descriptions of the degree programs offered, program objectives, length of program, and institutional calendars; schedule of tuition, fees, and all other charges and expenses necessary for completion of the course of study and cancellation and refund policies; a statement regarding the transferability of college credits, including the fact that the decision to accept transfer credits is currently made by receiving institutions; a statement as to how the institution will advise students on the nature of the transfer process, including the importance of consulting with institutions to which the student may seek to transfer; evidence of articulation arrangements with institutional counterparts, where these arrangements exist; a statement of the institution's most recent graduation rates and the numbers of graduates and enrollments as provided by the institution to the Integrated Postsecondary Education Data System (IPEDS). There is no exception if the institution does not report data to IPEDS. The state also requires the collection of data on student financial aid and dual credit offerings; 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 and 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. **23 Ill. Adm. Code 1030.30(a)(5)(A)**

***Type 2: Private Degree-granting Schools:***

<b>Element Description</b>	<b>Mandatory</b>	<b>Discretionary</b>	<b>Not Specified</b>
<b>Total Cost of Program</b>	<b>5 Points</b>	2.5 Points	0 Points
<b>Refund Information</b>	<b>5 Points</b>	2.5 Points	0 Points
<b>Transferability of Credits</b>	5 Points	2.5 Points	<b>0 Points</b>
<b>Length of Program</b>	<b>5 Points</b>	2.5 Points	0 Points

**Explanation:**

***Type 2: Institutions governed by the 2012 Act:***

Illinois requires these institutions to provide a clear description of costs, refund policies, program information and all disclosures required by the Act, 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; an explanation of all criteria and requirements for retention, progress towards certificate, and graduation of the student; the institution's tuition, cancellation and refund policies; and a statement of the purpose and amount of any fees assessed. **23 Ill. Adm. Code § 1095.40(k)(3)**. The only missing element related to institutions governed by the 2012 Act is the requirement that institutions include disclosures about the transferability of credits in the enrollment contract.



**Notable Provision:**

Illinois has a commendable requirement applicable to institutions governed by the 2012 Act that “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.” 23 Ill. Adm. Code § 1095.40(k)(5) This requirement should serve as a model for other states endeavoring to improve their laws related to private postsecondary institutions.

## V. REGULATION OF RECRUITING PRACTICES: 75/100 POINTS

### A. HAS THE STATE PUT INTO LAW A LIST OF PROHIBITED ACTS REGARDING ADVERTISING AND RECRUITING?

**75/100 POINTS**

*\*The points for Type 1 and Type 2 institutions have been averaged for the final element score, above.*

	Yes, strong regulation	Yes, Moderate Regulation	Yes, weak regulation	No list of prohibited acts
Type 1	100 Points	75 Points	50 Points	0 Points
Type 2	100 Points	75 Points	50 Points	0 Points

#### PROHIBITED ACTS

Included in list of Prohibited Acts	Type 1	Type 2
Misleading representations using the word “college” or “university”	X	X
Misleading Institution Affiliations (re: military, public institution, business establishments...)	/	/
Promise Employment	X	X
Compensation for enrollment		
Compensation or “bounty” to recruiters		
Deception (Broad prohibition)	X	X
Misrepresentation (Broad Prohibition)	X	X
Misleading representations re: accreditation	X	X

*1-3=Weak; 4-6=Moderate; 7+=Strong*

#### Explanation:

##### ***Type 1: Institutions governed by the 1941 and /or 1965 Act:***

The criteria for institutional approval includes guidance with regard to when the terms “university” and “college” can be used in program descriptions, advertisements, recruiting and promotional materials. Additionally, the criteria prohibit schools and their agents from promising employment, false, deceptive, misleading or unfair advertising, and misrepresentation with regard to employment opportunities. The criteria include very specific restrictions and specifications regarding a school’s statement of accreditation. Finally, Illinois receives partial credit for prohibiting schools and agents from using 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. This is because the requirement will help to discourage schools from using a misleading institution

name which would suggest an affiliation with the military, a public institution, or other entity of prestige where there is none. (23 Ill. Adm. Code 1030.30)

***Type 2: Institutions governed by the 2012 Act:***

The criteria for evaluation of the application for a permit of approval includes guidance with regard to when the terms “university” and “college” can be used in program descriptions, advertisements, recruiting and promotional materials. (23 Ill. Adm. Code 1095.40(e)(4)). Illinois law prohibits schools and agents from making deceptive statements concerning other institutional activities in attempting to enroll students, stating or representing that students will be guaranteed employment while enrolled in the institution or that employment will be guaranteed for students after graduation, or misrepresenting opportunities for employment upon completion of any program of study (23 Ill. Adm. Code 1095.40) Further, Illinois procedures for obtaining approval to offer one or more new certificates prohibit schools from making deceptive or misleading representations with regard to accreditation. (23 Ill. Adm. Code 1095.80). Finally, Illinois receives partial credit for prohibiting schools and agents from using 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. (23 Ill. Adm. Code 1095.40 (h)(2)) This is because the requirement will help to discourage schools from using a misleading institution name which would suggest an affiliation with the military, a public institution, or other entity of prestige where there is none.

**VI. COMPLAINT PROCESS & RELIEF FOR STUDENTS:**

**53 /100 POINTS**

**A. DOES THE STATE REQUIRE A BOND OR FUND AS A CONDITION OF AUTHORIZATION?**

**10/20 POINTS\***

*\*Points for Type 1 and Type 2 have been averaged for final element score above.*

	<b>Yes</b>	<b>No</b>
<b>Type 1:</b>	20 Points	<b>0 Points</b>
<b>Type 2:</b>	<b>20 Points</b>	0 Points

**Explanation:**

***Type 1: Institutions governed by the 1941 and /or 1965 Act:***

Illinois does not require private postsecondary institutions that are governed by the 1945 Act or the 1961 Act to provide a surety bond as a condition of state approval and to maintain state approval.

***Type 2: Institutions governed by the 2012 Act:***

Illinois requires private postsecondary institutions governed by the Private Business and Vocational School Act of 2012 to provide a surety bond as a condition of state approval and to maintain state approval. **105 ILCS 426/55 (1)** (highlighted in red) The state also requires institutions to provide proof of liability insurance. **105 ILCS 426/55 (4)**

**B. DOES THE STATE REQUIRE A REFUND OF TUITION IF A STUDENT ENROLLS AS THE RESULT OF MISREPRESENTATION?**

**10/20 POINTS\***

*\*Points for Type 1 and Type 2 have been averaged to calculate the score for this element*

	Yes, Full Refund	Yes, Partial Refund	No Refund Required
<b>Type 1:</b>	20 Points	<b>10 Points</b>	0 Points
<b>Type 2:</b>	20 Points	<b>10 Points</b>	0 Points

**Explanation:**

Illinois law requires the school to have “a fair and equitable cancellation and refund policy. This policy shall apply equally to all students regardless of whether the student receives federal or State financial aid.” While this law does not specify that institutions must provide a refund to students who enroll as the result of misrepresentation, the above law would appear to broadly include an instance of misrepresentation given that a “fair and equitable cancellation and refund policy” should include refunds to students who enroll as a result of misrepresentation. However, there is no specification in the law about whether or not a student in this circumstance would be entitled to a full refund. Therefore, Illinois receives partial credit for this element. This is true for institutions governed by the 1941 and /or 1965 Act (Type 1) **(23 Ill. Adm. Code 1030.30(a)(11))** and institutions governed by the 2012 Act (Type 2) **(23 Ill. Adm. Code 1095.40(g))**.

**C. DOES THE STATE REQUIRE INSTITUTIONS TO REFUND TUITION IN THE EVENT OF CLOSURE?**

**7.5/20 POINTS\***

*\*The points for Type 1 and Type 2 institutions have been averaged for the final element score, above.*

	Yes, Full Refund	Yes, refund is limited in some way	Maybe. Provisions in place for a refund in very limited circumstances.	No Refund Required
<b>Type 1:</b>	20 Points	15 Points	10 Points	<b>0 Points</b>
<b>Type 2:</b>	20 Points	<b>15 Points</b>	10 Points	0 Points

**Explanation:**

**Type 1: Institutions governed by the 1945 and/or 1961 Act:**

There are no explicit provisions for refunds in the case of an institution’s becoming insolvent. If an institution is insolvent, it is doubtful that the institution will be able to provide students with a full refund, even with a “fair and equitable refund and cancellation policy,” and no bond is required for these institutions to obtain approval to operate. There would be few places from which to draw

funds for student refunds in cases in which an institution is insolvent. Therefore, while a refund may be possible in cases of insolvency, there do not appear to be adequate provisions in place to protect students at these institutions.

***Type 2: Institutions governed by the 2012 Act:***

Illinois has in place procedures and rules governing school closures. The law requires schools to 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 the school has not fulfilled its contractual obligations, or a student has reasonable objections to transfer resulting from the closing. Thus, there are some limits to students' receiving a full refund. The law also specifies that the school and its designated surety bonding company are responsible for the return to students of all prepaid, unearned tuition.

**D. DOES THE STATE ALLOW STUDENTS AMPLE TIME TO MAKE A COMPLAINT?**

**10/10 POINTS\***

*\*The points for Type 1 and Type 2 institutions have been averaged for the final element score, above.*

	<b>2 years or more (or no deadline)</b>	<b>1-2 years</b>	<b>Under 1 year</b>	<b>Not Applicable</b>
<b>Type 1:</b>	<b>10 Points</b>	5 Points	1 Point	0 Points
<b>Type 2:</b>	<b>10 Points</b>	5 Points	1 Point	0 Points

**Explanation:**

There is no specified timeframe or deadline by which a student must file a complaint for institutions governed by either the 1945 /1961 Acts (Type 1) or for the 2012 Act (Type 2).

**E. DOES THE STATE REQUIRE INSTITUTIONS TO DISCLOSE INFORMATION ABOUT FILING A COMPLAINT WITH THE STATE OVERSIGHT BODY?**

**7.5/20 POINTS**

*\*The points for Type 1 and Type 2 institutions have been averaged for the final element score, above.*

***Type 1:***

<b>Medium</b>	<b>Yes</b>	<b>Discretionary</b>	<b>No</b>
<b>Catalog</b>	10 Points	5 Points	<b>0 Points</b>
<b>Website</b>	5 Points	2.5 Points	<b>0 Points</b>
<b>Enrollment Contract</b>	5 Points	2.5 Points	<b>0 Points</b>

**Explanation:**

***Type 1: 1945/1961 Acts:***

There is no requirement in Illinois law that private postsecondary schools covered by the 1945 Act or the 1961 Act disclose information about filing a complaint with the board. (1<sup>st</sup> chart)

***Type 2:***



Medium	Yes	Discretionary	No
Catalog	10 Points	5 Points	0 Points
Website	5 Points	2.5 Points	0 Points
Enrollment Contract	5 Points	2.5 Points	0 Points

**Explanation:**

***Type 2: 2012 Act:***

Illinois explicitly requires private postsecondary schools which are covered by the 2012 Act to disclose information about filing a complaint in the enrollment contract, on its website, and in “promotional materials” – because an institution’s catalog may be considered “promotional material” Illinois is given partial credit for requiring inclusion of complaint process in promotional material. (red highlight) **105 ILCS 426/55(2)-(3)**

F. IS THE COMPLAINT PROCESS READILY ACCESSIBLE AND AVAILABLE ON THE STATE OVERSIGHT BODY WEBSITE?

**8/10 POINTS**

Yes, w/ address	Yes, with phone #	Yes, with email address	Yes, with electronic form	No
2 Points	2 Points	3 Points	3 Points	0 Points

**Explanation:**

The Illinois Board of Higher Education homepage has a prominent link to a complaints page which explains the complaint process and provides an electronic form for students to use to file and update complaints (<http://complaints.ibhe.org/>) In addition, the website contains a page with information about consumer protection with more contact information for students who may have questions (<http://www.ibhe.org/consumerInfo/complaint.htm>)

VII. ENFORCEMENT: **67.5/100 POINTS**

A. IS THERE LOSS OF STATE AID FOR SCHOOLS THAT REPEATEDLY PRODUCE SUBSTANDARD GRADUATION RATES, JOB PLACEMENT RATES AND / OR COHORT DEFAULT RATES?

**17.5/30 POINTS\***

*\*The points for Type 1 and Type 2 institutions have been averaged for the final element score, above.*

	Yes, Required	Yes, Required but limited	Yes, Discretionary	Yes, Discretionary but limited	No
<b>Type 1:</b>	30 Points	20 Points	15 Points	5 Points	0 Points

<b>Type 2:</b>	30 Points	<b>20 Points</b>	15 Points	5 Points	0 Points
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**Explanation:**

***Type 1: Institutions governed by the 1945 and / or the 1961 Act:***

The law related to institutional approval requires the board to evaluate an institution’s success in student progression and graduation, and success rates in programs preparing students for certification and licensure. At a minimum, the Board is required to evaluate graduation rates, degree completion rates, retention rates, and pass rates for licensure and certification. The law further requires the Board to evaluate an institution’s student loan default rates, student indebtedness rates, job placement rates, student learning measures and other success indicators. It clearly defines “success rates” and what is required for an institution to maintain success rates. Violation of any of the conditions governing issuance of the Certificate of Approval is grounds for revocation of Certificate of Approval. Presumably, if an institution is repeatedly falling short of the defined success rates, the institution would stand to lose approval, though the process is not specifically enumerated in the law. Finally, Institutions governed by the 1961 Act are required, in the case of a program in which State licensure is required for employment in the field, to maintain license exam pass rates in the objectives of the unit of instruction. If there is no such evidence, approval of the program may be withdrawn by the Board. Withdrawal of approval would impact the institution’s eligibility to receive state aid. The revocation of an institution’s Certificate of approval in this situation is at the discretion of the Board.

***Type 2: Institutions governed by the 2012 Act:***

Yes, but limited to exam passage rates Illinois schools could lose approval to operate and thus, aid, if the school repeatedly falls below the standard. This is a great start and Illinois should explore expansion of this policy to graduation rates and cohort default rates, for example. “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.” (23 Ill. Adm. Code 1095.200).

**B. DOES THE STATE EXPLICITLY ALLOW STUDENTS A PRIVATE RIGHT OF ACTION AGAINST INSTITUTIONS THAT HAVE VIOLATED THE LAWS / REGULATIONS IN PLACE TO GOVERN THEM?**

**30/30 POINTS**

*\*The points for Type 1 and Type 2 institutions have been averaged for the final element score, above.*

	<b>Yes</b>	<b>Limited Circumstances</b>	<b>No</b>
<b>Type 1:</b>	<b>30 Points</b>	15 Points	0 Points
<b>Type 2:</b>	<b>30 Points</b>	15 Points	0 Points

**Explanation:**

***Type 1: Institutions governed by the 1945 and / or 1961 Acts:***

“No institution shall enter into any 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.” (23 Ill. Adm. Code 1030.30(a)(13)(A))

***Type 2: Institutions governed by the 2012 Act:***

Illinois law prohibits schools from entering into enrollment agreements 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. (23 Ill. Adm. Code 1095.40(k)(5))

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C. DOES STATE LAW EXPLICITLY ALLOW ATTORNEY FEE AWARDS FOR STUDENTS WHO PREVAIL IN LITIGATION AGAINST SUCH INSTITUTIONS?

**0/20 POINTS**

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Yes	Limited	No
20 Points	15 Points	0 Points

**Explanation:**

None of the Acts in Illinois which govern private for-profit institutions explicitly allow attorney fee awards for students who prevail in litigation against the institutions.

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D. DOES THE STATE EXPLICITLY AUTHORIZE ATTORNEY GENERAL INVOLVEMENT?

**20/20 POINTS**

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Yes	Limited Circumstances	No
20 Points	10 Points	0 Points

**Explanation:**

The Illinois attorney general is authorized to take actions related to private for-profits and has done so on several occasions.

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**BONUS POINTS**

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Illinois does not receive any bonus points.



**ILLUMINATING INFORMATION**



## PENDING LEGISLATION IN ILLINOIS:

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**2015 Bill Text IL H.B. 3491, 2015 Bill Text IL H.B. 3491; 2015 Bill Text IL S.B. 1609, 2015 Bill Text IL S.B. 1609:** Defines religious education and includes several exemptions for religious education programs. Effective September 15, 2016.

**2016 Bill Text IL H.B. 5514:** amends the Private Business and Vocational Schools Act of 2012, making it such that a school or program within a school that solely provides yoga instruction, yoga teacher training, or both is not considered to be a private business and vocational school. This bill has potential First Amendment issues.



### **Notable Provision:**

**2016 Bill Text IL S.B. 1709:** Amends Higher Education Assistance Act by prohibiting grants under it from going to applicants from for profit colleges. Effective July 1, 2016.

## RECIPROCITY AGREEMENTS

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Illinois is a member of SARA (National Council for State Authorization Reciprocity Agreements).  
<http://nc-sara.org/state/illinois>

## LITIGATION, INVESTIGATIONS AND ACTIONS INVOLVING FOR-PROFITS IN ILLINOIS

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**For information about pending and recent federal and state government investigations and actions regarding for-profit colleges see David Halperin's compilation at:**  
<http://www.republicreport.org/2014/law-enforcement-for-profit-colleges/#sthash.1vc4HmPw.dpuf>