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LRB094 04498 NHT 58528 a

1 AMENDMENT TO SENATE BILL 861

2 AMENDMENT NO. _____. Amend Senate Bill 861 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Private Business and Vocational Schools Act
5 is amended by changing Sections 6 and 11 as follows:

6 (105 ILCS 425/6) (from Ch. 144, par. 141)

7 Sec. 6. Application for certificate - Contents. Every
8 person, partnership or corporation doing business in Illinois
9 desiring to obtain a certificate of approval shall make a
10 signed and verified application to the Superintendent upon
11 forms prepared and furnished by the Superintendent, which forms
12 shall include the following information:

13 1. The legal title and name of the school, together with
14 ownership and controlling officers, members, and managing
15 employees.†

16 2. The specific courses of instruction which will be
17 offered, and the specific purposes of such instruction.†

18 3. The place or places where such instruction will be given
19 and a description of the physical and sanitary facilities
20 thereof.†

21 4. A written inspection report of approval by the State
22 Fire Marshal or his designee for use of the premises as a
23 school.†

24 5. A specific listing of the equipment available for

1 instruction in each course of instruction, with the maximum
2 enrollment that such equipment will accommodate.†

3 6. The names, addresses and current status of all schools
4 of which each applicant has previously owned any interest, and
5 a declaration as to whether any of these schools were ever
6 denied accreditation or licensing, or, lost accreditation or
7 licensing from any governmental body or accrediting agency.†

8 7. The educational and teaching qualifications of
9 instructors in each course and subject of instruction, and the
10 teacher to student ratio established by rule by the
11 superintendent pursuant to industry standards and after
12 soliciting and receiving comments by the schools in each
13 industry.†

14 7.1. The qualifications of administrators.†

15 8. The financial resources available to establish and
16 maintain the school, documented by a current balance sheet and
17 income statement prepared and certified by an accountant or any
18 such similar evidence as required by the Superintendent.†

19 9. A continuous surety company bond, written by a company
20 authorized to do business in this State, for the protection of
21 the contractual rights including faithful performance of all
22 contracts and agreements for students, their parents,
23 guardians, or sponsors in a sum of up to \$100,000, except that
24 when the unearned prepaid tuition for Illinois students in the
25 possession of the school, as annually determined by the
26 Superintendent, exceeds \$100,000 the bond shall be in an amount
27 equal to the greatest amount of prepaid tuition in the school's
28 possession. In lieu of a surety bond, an applicant may, with
29 the advanced approval of the State Board of Education prior to
30 January 1, 2007, deposit with the State Board of Education as
31 security a certificate of deposit of any bank organized or
32 transacting business in the United States in an amount equal to
33 or greater than the amount of the required bond. The applicant
34 must first satisfy the State Board of Education that the

1 certificate of deposit is free and clear of all liens, pledges,
2 security interests, and other encumbrances. The State Board of
3 Education shall perfect a first priority security interest in
4 the certificate of deposit to provide the protection required
5 under this item 9. The certificate of deposit must be held and
6 made payable in accordance with terms and provisions approved
7 in advance by the State Board of Education and must be replaced
8 by a bond meeting the requirements set forth in this item 9
9 within 180 days after the issuance of the certificate of
10 approval to the applicant. Failure to replace the certificate
11 of deposit with a continuous surety company bond shall result
12 in revocation of the certificate of approval.†

13 10. Annual reports reflecting teacher, equipment and
14 curriculum evaluations.†

15 11. Copies of enrollment agreements and retail installment
16 contracts to be used in Illinois.†

17 12. Methods used to collect tuition and procedures for
18 collecting delinquent payments.†

19 13. Copies of all brochures, films, promotional material
20 and written scripts, and media advertising and promotional
21 literature that may be used to induce students to enroll in
22 courses of instruction.†

23 14. Evidence of liability insurance, in such form and
24 amount as the Board shall from time to time prescribe pursuant
25 to rules and regulations promulgated hereunder, to protect its
26 students and employees at its places of business and at all
27 classroom extensions including any work experience locations.†

28 15. Each application for a certificate of approval shall be
29 signed and certified under oath by the school's chief managing
30 employee and also by its individual owner or owners; provided,
31 that if the applicant is a partnership or a corporation, then
32 such application shall be signed and certified under oath by
33 the school's chief managing employee and also by each member of
34 the partnership or each officer of the corporation, as the case

1 may be ~~u~~.

2 16. If the evaluation of a particular course or facility
3 requires the services of an expert not employed by the State
4 Board of Education or if in the interest of expediting the
5 approval, a school requests the State Board of Education to
6 employ such an expert, the school shall reimburse the State
7 Board of Education for the reasonable cost of such services.

8 (Source: P.A. 85-1382.)

9 (105 ILCS 425/11) (from Ch. 144, par. 146)

10 Sec. 11. Sales representative permits - Application -
11 Contents - Fees - Separate permits.) Every sales representative
12 representing a school, whether located in the State of Illinois
13 or without, shall make application for a Sales Representative
14 Permit to the Superintendent in writing upon forms prepared and
15 furnished by the Superintendent. The sales representative
16 shall be approved by the Superintendent prior to solicitation
17 of students. Each application shall state the name of the
18 school which the applicant will represent, contain evidence of
19 the honesty, truthfulness, and integrity of the applicant and
20 shall be accompanied by the recommendation of two reputable
21 persons, neither of whom shall be in the employ of the school
22 or members of the applicant's immediate family, certifying that
23 the applicant is truthful, honest, and of good reputation, and
24 recommending that a permit as a sales representative be
25 granted. The fee for an original permit as a sales
26 representative shall be \$100. The annual renewal fee shall be
27 \$50. A separate permit shall be obtained for each school
28 represented by a sales representative.

29 In determining honesty, truthfulness and integrity under
30 this Section, the Superintendent may take into consideration
31 any felony conviction of the applicant, but such a conviction
32 shall not operate as a bar to approval unless a court or parole
33 authority has determined that the applicant is not

1 rehabilitated sufficiently to serve as a sales representative.

2 Each sales representative shall provide a continuous
3 surety company bond for the protection of the contractual
4 rights, including loss resulting from any fraud or
5 misrepresentation used by the sales representative, of
6 students, their parents, guardians or sponsors, in the penal
7 sum of \$2,000, except under exceptional circumstances up to
8 \$10,000, upon the order of the Superintendent. The surety
9 company bond shall be written by a company authorized to do
10 business in this State. In lieu of a surety bond, an applicant
11 may, with the advanced approval of the State Board of Education
12 prior to January 1, 2007, deposit with the State Board of
13 Education as security a certificate of deposit of any bank
14 organized or transacting business in the United States in an
15 amount equal to or greater than the amount of the required
16 bond. The applicant must first satisfy the State Board of
17 Education that the certificate of deposit is free and clear of
18 all liens, pledges, security interests, and other
19 encumbrances. The State Board of Education shall perfect a
20 first priority security interest in the certificate of deposit
21 to provide the protection required under this paragraph. The
22 certificate of deposit must be held and made payable in
23 accordance with terms and provisions approved in advance by the
24 State Board of Education and must be replaced by a bond meeting
25 the requirements set forth in this paragraph within 180 days
26 after the issuance of the Sales Representative Permit to the
27 applicant. Failure to replace the certificate of deposit with a
28 continuous surety company bond shall result in revocation of
29 the Sales Representative Permit.

30 (Source: P.A. 83-1484.)

31 Section 99. Effective date. This Act takes effect upon
32 becoming law."