

AN ACT concerning education.

**Be it enacted by the People of the State of Illinois,  
represented in the General Assembly:**

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

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

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

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

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

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

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

5. A specific listing of the equipment available for instruction in each course of instruction, with the maximum enrollment that such equipment will accommodate.†

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

7. The educational and teaching qualifications of

instructors in each course and subject of instruction, and the teacher to student ratio established by rule by the superintendent pursuant to industry standards and after soliciting and receiving comments by the schools in each industry.†

7.1. The qualifications of administrators.†

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

9. A continuous surety company bond, written by a company authorized to do business in this State, for the protection of the contractual rights including faithful performance of all contracts and agreements for students, their parents, guardians, or sponsors in a sum of up to \$100,000, except that when the unearned prepaid tuition for Illinois students in the possession of the school, as annually determined by the Superintendent, exceeds \$100,000 the bond shall be in an amount equal to the greatest amount of prepaid tuition in the school's possession. In lieu of a surety bond, an applicant may, with the advanced approval of the State Board of Education prior to January 1, 2007, deposit with the State Board of Education as security a certificate of deposit of any bank organized or transacting business in the United States in an amount equal to or greater than the amount of the required bond. The applicant must first satisfy the State Board of Education that the certificate of deposit is free and clear of all liens, pledges, security interests, and other encumbrances. The State Board of Education shall perfect a first priority security interest in the certificate of deposit to provide the protection required under this item 9. The certificate of deposit must be held and made payable in accordance with terms and provisions approved in advance by the State Board of Education and must be replaced by a bond meeting the requirements set forth in this item 9 within 180 days after the issuance of the certificate of approval to the applicant. Failure to replace the certificate

of deposit with a continuous surety company bond shall result in revocation of the certificate of approval.†

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

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

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

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

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

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

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

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

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

Sec. 11. Sales representative permits - Application - Contents - Fees - Separate permits.) Every sales representative

representing a school, whether located in the State of Illinois or without, shall make application for a Sales Representative Permit to the Superintendent in writing upon forms prepared and furnished by the Superintendent. The sales representative shall be approved by the Superintendent prior to solicitation of students. Each application shall state the name of the school which the applicant will represent, contain evidence of the honesty, truthfulness, and integrity of the applicant and shall be accompanied by the recommendation of two reputable persons, neither of whom shall be in the employ of the school or members of the applicant's immediate family, certifying that the applicant is truthful, honest, and of good reputation, and recommending that a permit as a sales representative be granted. The fee for an original permit as a sales representative shall be \$100. The annual renewal fee shall be \$50. A separate permit shall be obtained for each school represented by a sales representative.

In determining honesty, truthfulness and integrity under this Section, the Superintendent may take into consideration any felony conviction of the applicant, but such a conviction shall not operate as a bar to approval unless a court or parole authority has determined that the applicant is not rehabilitated sufficiently to serve as a sales representative.

Each sales representative shall provide a continuous surety company bond for the protection of the contractual rights, including loss resulting from any fraud or misrepresentation used by the sales representative, of students, their parents, guardians or sponsors, in the penal sum of \$2,000, except under exceptional circumstances up to \$10,000, upon the order of the Superintendent. The surety company bond shall be written by a company authorized to do business in this State. In lieu of a surety bond, an applicant may, with the advanced approval of the State Board of Education prior to January 1, 2007, deposit with the State Board of Education as security a certificate of deposit of any bank organized or transacting business in the United States in an

amount equal to or greater than the amount of the required bond. The applicant must first satisfy the State Board of Education that the certificate of deposit is free and clear of all liens, pledges, security interests, and other encumbrances. The State Board of Education shall perfect a first priority security interest in the certificate of deposit to provide the protection required under this paragraph. The certificate of deposit must be held and made payable in accordance with terms and provisions approved in advance by the State Board of Education and must be replaced by a bond meeting the requirements set forth in this paragraph within 180 days after the issuance of the Sales Representative Permit to the applicant. Failure to replace the certificate of deposit with a continuous surety company bond shall result in revocation of the Sales Representative Permit.

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

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