

**Council on Postsecondary Education  
September 10, 2009**

**Revisions to Independent College Licensing Regulation  
with Fee Schedule**

<p><b>ACTION:</b> The staff recommends that the Council approve the revised administrative regulation 13 KAR 1:020 regarding the licensing of independent colleges in Kentucky and corresponding fee schedule.</p>
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Kentucky's 13 KAR 1:020 administrative regulation establishes the standards and procedures for the licensing of independent colleges in Kentucky (Attachment A). The regulation was last revised 18 years ago in 1991. The proposed revisions to the regulation are necessary to better align licensing standards and procedures, accommodate online learning and operations, and address growth in the number of institutions, particularly the increase in out-of-state institutions locating in Kentucky. A fee schedule is introduced for the first time since licensing was assigned to the Council on Postsecondary Education

**Purpose of Licensure**

The Council is charged with protecting institutions and citizens of the Commonwealth against those colleges which resort to fraudulent practices, unfair competition, or substandard educational programs per KRS 164.947.

**Licensure Authority**

13 KAR 1:020 vests the authority to license with the president of CPE. This licensure authority covers:

- All private, for-profit colleges offering a bachelor's degree or above.
- All private, nonprofit colleges.
- Religious colleges and out-of-state private and public colleges which operate in Kentucky.

If an institution is for-profit and only offering below a bachelor's degree, then the institution falls under the authority of the Kentucky State Board for Proprietary Education.

**Licensure Activities**

There are six main licensure activities:

1. Licensure of new colleges.
2. Changes to licenses, including new programs and off-campus sites.

3. Maintenance of and renewals of licenses.
4. Annual data reporting.
5. Consumer complaints against licensed colleges.
6. Addressing institutions operating illegally or fraudulently in Kentucky without a license.

### **Increased Volume**

Kentucky has experienced an expansion over the past decade in the number of institutions recruiting and operating in the state, both through instruction at a campus location and by offering online programs to Kentucky residents.

Since the education reform in 1997, there are now 50 percent more licensed colleges in Kentucky:

- In 1991, there were 31 in-state and 8 out-of-state licensed colleges.
- In 1998, there were 32 in-state and 8 out-of-state licensed colleges.
- In 2009, there are 37 in-state and 23 out-of-state licensed colleges.

Some of the out-of-state colleges have multiple instructional sites in Kentucky, which are each licensed separately.

The 60 licensed colleges are offering approximately 1,800 licensed programs.

Based on KHEAA's financial aid reports and KEES data reports from 2006-07, 35 percent (\$64,469,671) of Kentucky's state financial aid goes to licensed colleges.

### **Need for Greater Consumer Protection**

Degree mills, diploma mills, and counterfeit operations target states with lax enforcement. Technology and the internationalization of postsecondary education increase the risk of fraud—these all lead to a need for greater oversight and staffing by the CPE.

### **More Complex Reviews Required**

The proliferation of institutions and intricacies of online programs threaten the effectiveness and timeliness of the licensure review process without additional resources and support to manage the volume and complexity of review of these colleges and programs.

CPE staff will coordinate site visits with expert consultants to institutions to assess whether an institution meets licensure standards.

Also, CPE staff will continue to coordinate licensing reviews with other state agencies such as the Education Professional Standards Board, Board of Nursing, State Board of Proprietary Education, and the Kentucky Higher Education Assistance Authority.

## **Proposed Revisions to Regulation Necessary**

The sum of the developments above requires revisions to the licensing regulation.

The proposed revisions better address the legal issue of interstate commerce by defining operating in Kentucky to mean having a physical presence in Kentucky.

The proposed revisions seek to require the same data from all institutions, whether a licensed in-state or out-of-state college, which will include data regarding student mobility.

The proposed revisions better ensure due process by clarifying the administrative process for an institutional appeal of a suspension, revocation, or denial of a license by the president consistent with KRS 13B.005-13B.170.

## **Need for Additional Resources: Proposed Fees**

Additional resources are necessary to:

- Review and process the increased volume and complexity of applications and programs.
- Coordinate, travel, and attend site visits.
- Collect and manage data from the colleges.

To defray the costs of licensure services, in addition to any costs connected with a site visit per 13 KAR 1:020 or KRS 164.785, CPE proposes to charge fees to institutions for licensure.

The overwhelming majority of states in the U.S. charge fees: 39 of 46 states (85 percent) that license colleges charge fees for licensure, and others are considering charging fees.

The proposed fees are set forth in the Kentucky Licensure Fee Schedule (Attachment B) (attached to the proposed revised licensure regulation), with authority per KRS 164.020(37).

It is estimated that the revenue from the proposed fees may be \$272,400 per year after the annual fee is implemented in 2011 and will be used to pay for at least two additional staff.

## **Conclusion**

The process of revising an administrative regulation, established by the Legislative Research Commission, will be initiated with Council approval of this revised regulation. The proposed revised administrative regulation will go through a public hearing and review by the Administrative Regulation Subcommittee and the Interim Joint Committee on Education.

1 COUNCIL ON POSTSECONDARY EDUCATION

2 Amendment

3 13 KAR 1:020. Private college licensing.

4 RELATES TO: KRS 164.020(37), 164.945, 164.946, [~~164.947~~] 164.992, 165A.320

5 STATUTORY AUTHORITY: KRS 164.947

6 NECESSITY, FUNCTION, AND CONFORMITY: KRS 164.947 requires the Council on  
7 Postsecondary Education by regulation to adopt standards and procedures for the licensing of  
8 colleges as defined in KRS 164.945. This administrative regulation is promulgated [~~pursuant to~~  
9 ~~KRS 164.945 to 164.947 and 164.992 which require that the Council on Postsecondary Education~~  
10 ~~license nonpublic institutions~~] to protect bona fide institutions and to protect citizens of the  
11 Commonwealth from fraudulent practices, unfair competition, or substandard educational  
12 programs.

13 Section 1. Definitions. The definitions contained in 13 KAR 1:040. Definitions for  
14 private colleges. [~~(1) "Accredited" means the approval of an accrediting agency.~~

15 ~~(2) "Accrediting agency means a national or regional agency which evaluates colleges and~~  
16 ~~is recognized by the United States Department of Education, the Council on Higher Education~~  
17 ~~Accreditation, or the Council on Postsecondary Education.~~

18 ~~(3) "Agent" means any person employed by a college to act as solicitor, broker, or~~  
19 ~~independent contractor to procure students for the college by solicitation in any form made at any~~  
20 ~~place other than the main campus of the college.~~

21 ~~(4) The definition of "College" is governed by KRS 164.945.~~

1           ~~(5) "In state college" means a college that is chartered by, organized within, and has its~~  
2 ~~principal location in Kentucky.~~

3           ~~(6) "Out of state college" means a college that is chartered, organized, or has its principal~~  
4 ~~location outside Kentucky.~~

5           ~~(7) "Unearned tuition" means the excess of cumulative collections of tuition and other~~  
6 ~~instructional charges over the cumulative amount of earned tuition and other instructional charges~~  
7 ~~in accordance with the college's refund policy.]~~

8           Section 2. General Requirements. (1) An in-state or out-of-state college that is operating  
9 or soliciting [~~A college which offers courses or conducts academic programs~~] in Kentucky shall be  
10 licensed, but if a college is only operating or soliciting in Kentucky as defined in 13 KAR 1:010  
11 Section 1 (8)(c), (d) or (e) solely for on-ground instruction at a location outside of Kentucky in  
12 which students leave Kentucky to attend, then licensure shall not be required.

13           (2) An out-of-state college shall be licensed separately for each instructional site in  
14 Kentucky. An out-of-state college that is operating or soliciting using on-line instruction to  
15 Kentucky residents shall be considered to have an online campus which shall be licensed  
16 separately as an instructional site.

17           (3) A college awarding a certificate, diploma, associate degree, baccalaureate degree,  
18 master's degree, doctoral degree, or other degree, whether the degree is earned or honorary, shall  
19 be licensed. If a college's program is also required to be licensed or approved by another state  
20 agency as well as the Council on Postsecondary Education, the president shall attempt to  
21 coordinate the licensing function with that agency.

22           (4) A college shall offer only those [~~degrees and degree~~] programs, courses, and degrees,  
23 including honorary degrees, specifically authorized in the license. [~~If a college is licensed to offer~~

1 ~~specific courses, only those courses authorized in the license shall be offered.]~~

2 (5) If a college ceases offering a licensed program, course, or degree, then the college shall  
3 notify the president in writing and request that the program, course, or degree be removed from the  
4 college's license.

5 (6) Providing false or misleading information shall be grounds for denial of a license, or  
6 suspension or revocation of an existing license.

7 Section 3. Licensure Application Procedures. The application procedures are [The  
8 following procedures shall be observed in considering applications for a license]:

9 (1) An application for a license shall be on the form entitled "Application for Licensure as  
10 an In-State, Non-Public Institution to Operate in the Commonwealth of Kentucky pursuant to 13  
11 KAR 1:020" if an in-state college, or "Application for Licensure as an Out-of-State Institution to  
12 Operate in the Commonwealth of Kentucky pursuant to 13 KAR 1:020" if an out-of-state college  
13 ~~[in the form and manner prescribed by the president].~~ Colleges not licensed as of the effective date  
14 of this administrative regulation shall submit an application for a license within sixty (60) working  
15 days. ~~[Providing false or misleading information on any application may be deemed as sufficient~~  
16 ~~grounds for denying licensure.]~~

17 (2) An ~~[Documents to accompany application. Each]~~ application shall be accompanied by  
18 copies of the following:

- 19 (a) College charter;  
20 (b) College catalog;  
21 (c) College constitution and bylaws;  
22 (d) Student enrollment application;  
23 (e) Student contract or agreement; ~~[and]~~

1 (f) Documentation of accreditation, licensure, or approval by appropriate agencies, and  
2 disclosure of any prior loss or denial of accreditation with dates and reason and loss or denial of  
3 licensure or approval by an agency in this state or another state with dates and reason; and

4 (g) Disclosure of any former names of the college with dates.

5 [~~3~~]

6 Section 4. Site visits. (1) Within ninety (90) working [thirty (30)] days of the receipt of a  
7 full and complete application for a license, a supplementary application, or application for annual  
8 maintenance of license or renewal of license [renewal], the president may conduct, or may have  
9 conducted, a site visit [at the location or locations where the applicant college offers, or proposes to  
10 offer, courses of instruction]. Personnel conducting a site visit shall possess the expertise  
11 appropriate to the type of college to be visited. The purpose of a site visit shall be to make an  
12 assessment of a college using the standards for licensure as set forth in section 8 of this  
13 administrative regulation [the instructional program, library, faculty, student services,  
14 administration, financial status, facilities, and equipment and of such other factors which are of  
15 significance in determining the college's qualifications for licensure].

16 (2) The president may conduct, or may have conducted, an announced or unannounced site  
17 visit of a licensed college during reasonable business hours to inspect the files, facilities, and  
18 equipment as well as conduct interviews to determine the college's compliance with this  
19 administrative regulation and KRS 164.945 - .947.

20 (3) Failure to provide full access to the college's files, facilities, and equipment or  
21 prevention of interviews shall be grounds for denial of a license, or suspension or revocation of an  
22 existing license.

23 (4) Cost of site visits. [A college applying for a license, or license renewal, or a college to

1 ~~which a site visit is necessary in order to administer KRS 164.945 to 164.947, may be required to~~  
2 ~~bear the cost of the site visit.]~~ Costs connected with a site visit and subsequent visits as may be  
3 necessary, such as travel, meals, lodging, and honoraria shall be ~~[are]~~ paid by the college. The  
4 estimated cost of the site visit shall be paid by the college prior to the site visit. ~~[, and]~~ The final  
5 settlement regarding actual expenses incurred, shall be paid by the college no later than ~~[made~~  
6 ~~within]~~ thirty (30) days following the site visit. Failure to pay these costs shall be grounds for  
7 denial of a license, or ~~[may result in license]~~ suspension or revocation of an existing license.

8       ~~[(5) New colleges. In the case of a proposed new college, the president may issue a license~~  
9 ~~if he determines that the college may reasonably be expected to meet the standards set forth in~~  
10 ~~these administrative regulations:~~

11           ~~(a) Within three (3) years if the college proposes to award a degree no higher than an~~  
12 ~~associate degree. Annual reports shall be submitted to the president demonstrating the progress~~  
13 ~~being made in meeting the licensure standards.~~

14           ~~(b) Within five (5) years if the college proposes to offer a baccalaureate or higher degree.~~  
15 ~~Annual reports shall be submitted to the president demonstrating the progress being made in~~  
16 ~~meeting the licensure standards.]~~

17       Section 5. Action on Licensure Application. (1) ~~[(6) Action on license applications.]~~  
18 Within ninety (90) ~~[thirty (30)]~~ working days of the completion of the site visit, or within sixty (60)  
19 working days of the submission of a complete licensure ~~[an]~~ application where a site visit is not  
20 conducted, the president shall do one (1) of the following:

21           (a) Issue a license for a period of no less than one year, nor more than two (2) years ~~[, nor~~  
22 ~~more than five (5) years];~~

23           (b) Deny the application for a license; ~~[or]~~

1 (c) Notify the applicant college of deficiencies which must be corrected before a license  
2 can be issued; or

3 (d) The president may issue a conditional license in accordance with sub-section (2) of this  
4 section if a college has not met all of the standards for licensure at the time the application is filed,  
5 but the president determines the college is likely to meet the standards for licensure within a period  
6 not to exceed two (2) years.

7 (2) A conditional license shall not exceed a period of two (2) years and shall include the  
8 conditions a college shall meet in order for a college to progress toward and eventually meet the  
9 standards for licensure, including when the college shall report progress to the president and when  
10 the college shall be required to have satisfied all the conditions.

11 (a) A college's failure to satisfy the conditions within the timeframe specified by the  
12 president shall:

13 1. result in automatic revocation of the conditional license; or

14 2. result in an extension of the conditional license based on a determination by the  
15 president that the college is making progress in satisfying the conditions in response to a college's  
16 written request for an extension with supporting justification.

17 (b) If a college satisfies all the conditions with the timeframe specified, then the president  
18 shall issue a license in accordance with sub-section (1)(a) of this section.

19 ~~[(7) Failure to apply for a license. If a college which is subject to the provisions of this~~  
20 ~~administrative regulation fails to apply for a license, the president shall take the following~~  
21 ~~action:~~

22 ~~(a) Notify the college by registered mail of the requirement to obtain a license;~~

23 ~~(b) If a license application is not received within sixty (60) days of notification, require~~

1 ~~the chief administrative officer to appear for a hearing as provided in Section 9 of this~~  
2 ~~administrative regulation;~~

3 ~~(e) If the chief administrative officer does not appear for the hearing, refer the case to the~~  
4 ~~appropriate county attorney for enforcement.]~~

5 Section ~~6~~[4]. [~~License Renewal and~~] Supplementary Application Procedures. (1) [A  
6 college shall apply for license renewal on the date specified in the license .

7 ~~(2) An application for license renewal, or~~] A supplementary application[~~, in such form and~~  
8 ~~manner as may be prescribed by the president,~~] shall be required from a licensed college as follows  
9 [within thirty (30) days following any of these developments]:

10 (a) [~~Scheduled expiration of the licensure period;~~

11 ~~(b)] A “Supplementary Application for Change of Name of Institution pursuant to 13 KAR~~  
12 1:020” shall be required at least ninety (90) days prior to the effective date of a change in the name  
13 of a college;

14 ~~(b) [(e)]~~ A “Supplementary Application for Change of Location of Principal Location of a  
15 College or Location of a Licensed Instructional Site in Kentucky pursuant to 13 KAR 1:020” shall  
16 be required at least ninety (90) days prior to the effective date of a change in the principal location  
17 of a college or the location of a licensed instructional site in Kentucky;

18 ~~(c) [(d)]~~ A “Supplementary Application for Change of Ownership or Governance pursuant  
19 to 13 KAR 1:020” shall be required at least (90) days prior to the effective date of a change in  
20 ownership or governance of a college;

21 ~~(d) [(e)]~~ A “Supplementary Application to Operate as an Out-of-State Institution in  
22 the Commonwealth of Kentucky Pursuant to 13 KAR 1:020” shall be submitted by an out-of-state  
23 college at least ninety (90) days prior to the effective date of a proposed addition of a certificate,

1 diploma, degree program, major, or other concentration or specialty. If a college has only been  
2 licensed to offer a specific course or courses and proposes to offer an additional course, as opposed  
3 to an entire program, then the college shall submit the supplementary application at least ninety  
4 (90) days prior to the date the college proposes to begin offering the new course or courses. In the  
5 case of a new program, the college shall state if the new program is at a new degree level or is a  
6 significant departure from previously licensed programs for a licensed college. A significant  
7 departure is if the new program requires numbers of new faculty, many new courses, a new library  
8 or other resources, new equipment or facilities, or a new resources base [~~Proposed additions or~~  
9 deletions of degree programs or majors, and other concentrations and specialties];

10 (e) [~~(f)~~] A “Supplementary Application to Operate as an In-State Institution in the  
11 Commonwealth of Kentucky Pursuant to 13 KAR 1:020” shall be submitted by an in-state college  
12 at least ninety (90) days prior to the effective date of:

13 1. A proposed addition of a certificate, diploma, degree program, major, or other  
14 concentration or specialty:

15 a. in the case of a new program, the college shall state if the new program is at a new  
16 degree level or is a significant departure from previously licensed programs for a licensed college,  
17 and

18 b. a significant departure is if the new program requires numbers of new faculty, many new  
19 courses, a new library or other resources, new equipment or facilities, or a new resources base; or

20 2. The establishment of an instructional site away from the main campus of an in-state  
21 college for the purpose of offering courses for college credit which comprise at least twenty-five  
22 (25) percent of the course requirements for a degree program;

23 (f) A college shall submit a “Supplementary Application for Administrative Site,

1 Recruitment Office, or Advising Center pursuant to 13 KAR 1:020” at least ninety (90) days prior  
2 to the establishment of an administrative site, recruitment office, or advising center in Kentucky, or  
3 the change of location of a licensed administrative site, recruitment office, or advising center in  
4 Kentucky, where the site, office, or center is not part of a licensed instructional site or proposed  
5 instructional site for which the college is seeking licensure;

6 (g) A college shall submit a “Supplementary Application for Notification of Change in  
7 Accreditation or Licensure Status pursuant to 13 KAR 1:020” within thirty (30) days following  
8 action by an accrediting agency or another state licensing agency which results in:

9 1. a college being placed in a probationary status [for more than one (1) year];

10 2. a college losing [;or which results in the loss of the college's] accreditation or licensure;

11 or

12 3. a college being denied accreditation or licensure; or

13 (h) a determination by the president that other sufficient cause exists which requires a  
14 supplementary application [~~or an application for license renewal~~].

15 (2) ~~{(3)}~~ If the president determines that a supplementary application is required under sub-  
16 section (1)(h) of this section, then the president shall send a letter to the college stating the reason  
17 that a supplementary license application is required.

18 (3) The president may conduct, or may have conducted, a site visit as part of the  
19 supplementary application process in accordance with section 4 of this administrative regulation.

20 (4) Failure to submit a complete and accurate supplementary application, where required,  
21 may be sufficient cause for denial of a license, or suspension or revocation of an existing license,  
22 and the president shall notify the college by registered mail, return receipt, of the denial,  
23 suspension, or revocation of the college’s license.

1            Section 7. Action on Supplementary Applications. [~~Action on license renewal and~~  
2 ~~supplementary applications.~~] Within thirty (30) working days of the submission of a complete  
3 ~~[license renewal or]~~ supplementary application where a site visit is not conducted, or within ninety  
4 (90) working days of the completion of a site visit, the president shall do one (1) of the following:

5            (1) [(a) renew the license for a period of no less than five (5) years nor more than ten (10)  
6 years;

7            (b)] Approve the supplementary application and amend the current license without  
8 changing the renewal date;

9            (2) [(c)] Deny the [renewal or] supplementary application without amendment to the  
10 college's license;

11            (3) Suspend or revoke a college's license; or

12            (4) [(d)] Notify the applicant college of deficiencies which must be corrected before the  
13 supplementary application can be approved and a license can be amended [issued].

14            Section 8. Standards for Licensure. A college shall meet the following requirements and  
15 standards in order to be licensed:

16            (1) Financial requirements. The college shall adhere to generally accepted accounting  
17 practices and present evidence of financial stability, including the following:

18            (a) Financial statements including:

19            1. a statement of financial position of unrestricted net assets and liabilities, including  
20 foundation and trust agreements;

21            2. an audit report prepared by an independent certified public accountant for each  
22 corporation of the college; and

23            3. if available, audit reports for the past three (3) years;

1 (b) The name of a bank or other financial institution used by the college as a reference;

2 (c) A statement from the Kentucky Higher Education Assistance Authority related to  
3 programs administered by that agency and from the United States Department of Education related  
4 to programs administered by that department that the college is in good standing; and

5 (d) an annual operating budget for the college.

6 (2) Agents. A college shall be responsible for the actions of its agents.

7 (3) Guarantee of refund of unearned tuition. A college shall guarantee the refund of any  
8 unearned tuition held by the college as follows:

9 (a) An in-state college shall:

10 1. Secure and maintain a surety bond equal to or in excess of the largest amount of  
11 unearned tuition held by the college at any time during the most recently completed fiscal year,  
12 executed by a surety company qualified and authorized to do business in Kentucky, and made  
13 payable to the Council on Postsecondary Education;

14 2. Maintain an unrestricted endowment equal to or in excess of the largest amount of  
15 unearned tuition held by the college at any time during the most recently completed fiscal year; or

16 3. Provide a letter of credit equal to or in excess of the largest amount of unearned tuition  
17 held by the college at any time during the most recently completed fiscal year.

18 (b) An out-of-state college shall secure and maintain a surety bond equal to or in excess of  
19 the largest amount of unearned tuition held by the college at any time during the most recently  
20 completed fiscal year, executed by a surety company qualified and authorized to do business in  
21 Kentucky, and made payable to the Council on Postsecondary Education.

22 (c) A college applying for a license for the first time shall estimate the amount of unearned  
23 tuition based on projected enrollment and tuition and other instructional charges.

1           (d) A college shall provide a statement from an independent certified public accountant  
2 confirming that the college is in compliance with sub-section (3) of this section.

3           (4) Notice required.

4           (a) If a surety bond is terminated, a college shall notify the president and the license shall  
5 automatically expire with the bond unless a replacement bond is provided without a lapse in  
6 bonding.

7           (b) An in-state college using an unrestricted endowment or letter of credit to satisfy the  
8 provisions of sub-section (3) of this section shall notify the president if the unrestricted endowment  
9 or letter of credit falls below the required amount, and the college shall obtain a surety bond for the  
10 required amount.

11           (5) Personnel requirements.

12           (a) The college shall furnish information regarding the administrative officers, the  
13 directors, the owners, and the faculty.

14           (b) The chief administrator shall hold at least an earned baccalaureate degree from an  
15 accredited or licensed college and shall have sufficient experience to qualify for the position.

16           (c) Faculty members shall possess academic, scholarly, and teaching qualifications usually  
17 required for faculty in accredited colleges that offer degrees at comparable levels.

18           (d) There shall be a sufficient number of full-time faculty to ensure continuity and stability  
19 of the educational program.

20           (e) Teaching loads of faculty members shall be consistent with recognized educational  
21 practices, and shall be appropriate to the field, the variety of courses assigned, class size, and other  
22 related factors.

23           (6) Facilities and equipment.

1           (a) An instructional program shall not be conducted in substandard facilities.

2           (b) Enrollment shall not exceed the design characteristics of the facilities.

3           (c) A college shall have facilities and equipment that are:

4           1. maintained and operated in compliance with the safety and health requirements set forth  
5 in local, city, and county ordinances, and federal and state law; and

6           2. adequate and appropriate for instruction in classrooms and laboratories.

7           (7) Library resources. The library shall be appropriate to support the programs offered by  
8 the college:

9           (a) A college, through ownership or formal agreements, shall provide and support student  
10 and faculty access to adequate library collections, and to other learning and information resources  
11 where courses and programs are offered. Library resources shall be appropriate to the degree level  
12 offered by the college, and shall be sufficient to support all educational, research, and public  
13 service programs.

14           (b) A college that does not provide its own library facilities, but instead relies on another  
15 institution, shall demonstrate that it has permission to utilize the resources of another institution, by  
16 providing a copy of the written agreement to the president at the time of license application, and  
17 prior to the offering of any courses.

18           (c) A college that is dependent on another college or library for library resources shall  
19 make the extent of the dependence and the details of the agreements clear both to the president and  
20 to students and faculty.

21           (d) Library expenditures, expressed as a percentage of the total educational and general  
22 budget, shall be consistent with the percentage of library expenditures commonly observed in  
23 accredited colleges of similar types;

1 (e) A professionally trained and competent library staff, adequate to serve the needs of the  
2 students and to support the educational program, shall be provided;

3 (f) Sufficient seating and work space for a reasonable proportion of the faculty and  
4 students to be accommodated at one (1) time shall be provided; and

5 (g) The physical environment of the library shall be conducive to reflective intellectual  
6 pursuits common to institutions of higher learning .

7 (8) Curriculum. Earned degrees awarded by a college shall be bona fide academic  
8 degrees and the courses offered in degree programs shall be of collegiate quality as determined by  
9 the president using the following criteria:

10 (a) A course offered in a degree program shall be consistent with a course that is generally  
11 transferable for credit among accredited colleges where the program is at a corresponding degree  
12 level, or for credit toward the baccalaureate degree if a program is at the associate degree level.  
13 Provided however, a course may be offered that is not transferable based on the uniqueness of a  
14 program, or for another valid educational reason.

15 (b) A college shall require a minimum of:

16 1. sixty (60) student credit hours for an associate degree;

17 2. one hundred twenty (120) student credit hours for a baccalaureate degree; or

18 3. thirty (30) student credit hours for a post-baccalaureate, graduate, or first professional  
19 degree.

20 (c) A minimum of twenty-five (25) percent of the student credit hours required for a  
21 degree shall be earned through instruction offered by the college awarding the degree. Provided,  
22 however, that the twenty-five (25) percent requirement may be met through a joint, cooperative, or  
23 consortia agreement in which the instruction is offered by a college that is a party to the agreement

1 and that is licensed by the Council on Postsecondary Education or that is a state-supported  
2 postsecondary education institution created by KRS 164.001.

3 (d) A majority of the student credit hours required for a graduate degree may be met  
4 through a joint, cooperative or consortia agreement in which the instruction is offered by a college  
5 that is a party to the agreement and that is licensed by the Council on Postsecondary Education or  
6 that is a state-supported postsecondary education institution created by KRS 164.001.

7 (e) A college shall have a systematic program of curriculum revision in order to maintain  
8 the general standards of accredited colleges with similar programs.

9 (f) A college shall have a program of evaluation that includes a periodic assessment of the  
10 changes in student achievement.

11 (9) General education.

12 (a) A minimum of fifteen (15) student credit hours for associate degree programs, and thirty  
13 (30) student credit hours for baccalaureate degree programs shall be earned in general education,  
14 including science-mathematics, social and behavioral sciences, and humanities. A college which  
15 offers an interdisciplinary general education program, a block-type program, or other unique  
16 general education program shall be considered to be in compliance with the general education  
17 requirement if the president determines that the program content and distribution are appropriately  
18 related to the degree and institutional purposes.

19 (b) A new college, and any existing college which initiates a new associate degree or  
20 baccalaureate degree program or major, or other concentration or specialty, after the effective date  
21 of this administrative regulation, shall comply fully from the outset with the general education  
22 requirements.

23 (10) Program supervision and instructional support. Regardless of location, type of

1 program, method of instruction, or other characteristics, an instructional program for which degree  
2 credit is awarded shall include the following:

3 (a) Adequate supervision by the college; and

4 (b) Other instructional support as may be required to maintain a program of acceptable  
5 quality.

6 (11) Truth in advertising. A college shall observe the following standards in its  
7 advertising:

8 (a) Advertisements, announcements, and promotional material of any kind which are  
9 distributed in Kentucky shall not contain any statements that are untrue, deceptive, or misleading  
10 with respect to the college, its personnel, its services, or the content, accreditation status, and  
11 transferability of its courses or degree programs.

12 (b) Advertisements, announcements, or other materials produced by or on behalf of the  
13 college shall not indicate that the college is "supervised," "recommended," "endorsed," or  
14 "accredited" by the Commonwealth of Kentucky, by the Council on Postsecondary Education, or  
15 by any other state agency. A statement using the name of the Council on Postsecondary  
16 Education, if any, shall be in exactly the following form: "(Name of College) is licensed by the  
17 Kentucky Council on Postsecondary Education."

18 (12) Recruitment and enrollment procedures. A college shall furnish the following to each  
19 student prior to enrollment:

20 (a) The college's policies on grades, attendance, and conduct;

21 (b) A description of the instructional program;

22 (c) A detailed schedule of all charges, rentals, and deposits;

23 (d) The schedule of refunds of all charges, rentals, and deposits; and

1           (e) The student enrollment application, contract, or agreement.

2           (13) Student affairs.

3           (a) Students admitted to the college shall have completed a state-approved secondary  
4 school program or its equivalent.

5           (b) A student admitted to an instructional program shall have demonstrated a readiness for  
6 such instruction in the field or specialty, and the student's preparation, aptitude, and interest shall  
7 be determined to provide reasonable assurance that the student has the potential to benefit from the  
8 instruction offered.

9           (c) The college shall provide academic counseling by faculty or staff to each student at the  
10 time of admission and throughout the program.

11           (d) The college shall make assistance and counseling available to each student who  
12 completes a technical or vocational program for the purpose of assisting the student with an  
13 appropriate job placement or with transfer.

14           (e) The college shall maintain sufficient records for each student to provide an  
15 understanding of his background, to record his progress through the instructional program, and for  
16 reference purposes.

17           (f) Administrative officers of the college shall be knowledgeable of the federal and state  
18 laws and administrative regulations concerning the disclosure of student information and shall  
19 comply with such laws and administrative regulations.

20           (g) A college shall make adequate provision for the maintenance of student records in the  
21 event the college ceases operations. The location of student records shall be approved in advance  
22 by the president.

23           (14) College policies.

1           (a) The college shall maintain records in an orderly manner and make them available for  
2 inspection by the president or his designated representative.

3           (b) A catalog shall be published and distributed at least every two (2) years and shall  
4 include general information, administrative policies, and academic policies of the college as  
5 indicated below:

6           1. General information.

7           a. Official name and address of the college, name of the chief administrative officers,  
8 members of the governing body, and names of principal owners.

9           b. The college's calendar for the period covered by the catalog including beginning and  
10 ending dates of each term or semester, registration and examination dates, legal holidays, and other  
11 important dates.

12           c. Names of faculty, including relevant education and experience.

13           d. Full disclosure of the philosophy and purpose of the college and its capacity to fulfill  
14 these objectives.

15           2. Administrative policies.

16           a. Admissions policies and procedures, applicable to the various programs, including  
17 policies regarding granting of credit for previous education.

18           b. Policies and procedures regarding student conduct and behavior and the process for  
19 dealing with cases which culminate in probation or dismissal.

20           c. Schedules for all tuition and instructional charges, and refund schedules for such tuition  
21 and instructional charges.

22           d. Statement of financial aid available to students.

23           e. Procedures for obtaining transcripts in a timely fashion and at reasonable cost.

1           3. Academic policies.

2           a. Policy on class attendance.

3           b. Description of grading system.

4           c. Description of the degree, diploma, certificate, and other programs, including the course  
5 requirements and the time normally required to complete each.

6           d. Full description of the nature and objectives of all degrees offered.

7           (c) Refund policy on tuition and other instructional charges. The refund policy shall meet  
8 the following minimum requirements:

9           1. If tuition and other instructional charges are collected in advance of enrollment and the  
10 student fails to enroll, then not more than \$100, or not more than ten (10) percent of the tuition and  
11 other instructional charges for a term or semester, whichever is less, shall be retained by the  
12 college.

13           2. Tuition and other instructional charges ordinarily shall be charged by the enrollment  
14 period, and the student shall not be obligated for tuition or other instructional charges relating to an  
15 enrollment period that had not begun when the student withdrew. However, the president may  
16 approve program tuition for specific programs at a college if a student may only enroll at the  
17 beginning of the program sequence and must remain in phase. If program tuition is approved, the  
18 college shall refund tuition and other instructional charges in accordance with its published refund  
19 policy that considers both the coursework completed prior to withdrawal and the coursework that  
20 remains.

21           3. If a student withdraws from the college, or if a student fails to attend classes for a period  
22 of thirty (30) days during which classes are in session, the college shall officially withdraw the  
23 student from the college and shall refund an amount reasonably related to the period for which the

1 student is not enrolled and shall refund 100 percent of all other tuition and other fees collected by  
2 the college for subsequent enrollment or registration periods unless the student is enrolled in a  
3 program for which program tuition is charged as specified in subparagraph 2 of this paragraph.

4 a. After completion of fifty (50) percent of the enrollment period, the college is not  
5 required to make refunds of tuition or other fees for that period.

6 b. In all other cases, including illness or accident, the college shall make a settlement  
7 which is fair and reasonable.

8 c. Refunds shall be made within thirty (30) days after notification of withdrawal has been  
9 received by the college.

10 4. Notwithstanding the provisions as set forth herein, if a college is accredited by an  
11 accrediting agency which has a specific refund policy which is more favorable to the student, then  
12 such policy shall be followed.

13 5. An out-of-state college shall refund in accordance with the policies indicated herein  
14 unless its policy is more favorable to the student, in which case the latter shall be followed.

15 Section 9. Failure to Apply For A License.

16 (1) If a college which is subject to this administrative regulation fails to apply for a license,  
17 the president shall notify the college by registered mail of the requirement to obtain a license.

18 (2) If a license application is not then received within sixty (60) days of notification by the  
19 president, the president shall require the chief administrative officer to appear for a hearing as  
20 provided in Section 14 of this administrative regulation.

21 (3) If the chief administrative officer does not appear for the hearing, the president may  
22 refer the case to the appropriate county attorney for enforcement.

23 Section 10 [5]. Annual Maintenance of a College's License and Renewal of a College's

1 License [Reports]. (1) A college [colleges] shall submit an “Application for Annual Maintenance  
2 of License or for Renewal of License pursuant to 13 KAR 1:020” [annual report] to the president  
3 in accordance with subsection (2) of this section, and shall contain the following information:

4 [~~—(1) The annual report for in-state colleges shall contain the following:]~~

5 (a) Financial Information.

6 1. A statement [Statements] from the Kentucky Higher Education Assistance Authority  
7 related to programs administered by that agency and from the United States Department of  
8 Education related to programs administered by that department that the college is in good standing;

9 2. [~~(b)~~] A statement prepared by an independent certified public accountant confirming  
10 that the college is in compliance with sub-section (3) of section 8; and

11 [~~1. the amount of the surety bond coverage is equal to or in excess of the largest amount~~  
12 ~~of unearned tuition held by the college at any time during the most recently completed fiscal year;~~  
13 ~~or~~

14 [~~2. the amount of the college's unrestricted endowment is equal to or in excess of the largest~~  
15 ~~amount of unearned tuition held by the college at any time during the most recently completed~~  
16 ~~fiscal year; or~~

17 [~~3. the letter of credit is equal to or in excess of the largest amount of unearned tuition held~~  
18 ~~by the college at any time during the most recently completed fiscal year; or~~

19 [~~4. any combination of surety bond coverage, unrestricted endowment, and letter of credit is~~  
20 ~~equal to or in excess of the largest amount of unearned tuition held by the college at any time~~  
21 ~~during the most recently completed fiscal year.]~~

22 3. Financial statement including assets and liabilities and an audit report prepared by an  
23 independent certified public accountant within the last year;

1           (b) Institutional Information.

2           1. Name and address of college;

3           2. Chief Executive Officer's name, title, address, phone number, fax number, and email  
4 address;

5           3. Institutional liaison's name, title, address, phone number , fax number, and email  
6 address;

7           4. [(e)] A current list of the college's agents;

8           5. Copies of articles of incorporation, charter, constitution, and by-laws if there have been  
9 any changes to the documents within the last year; and

10          6. Copy of any articulation agreement the college has with a Kentucky licensed college or  
11 state-supported institution entered into or changed within the last year;

12          (c) Accreditation Status.

13          1. If the college is accredited by an accrediting agency, then the college shall provide  
14 verification of the college's accreditation status.

15          2. If the college is not accredited by an accrediting agency, then the college shall indicate if,  
16 when, and from whom the college will seek accreditation;

17          (d) Tuition for current enrollment period per credit hour, specifying semester hour, quarter  
18 hour, or other basis, and per full-time student;

19          (e) A copy of the college's current catalog;

20          (f) For an in-state college, a list of all licensed instructional sites away from the main  
21 campus of an in-state college for the purpose of offering courses for college credit which comprise  
22 at least twenty-five (25) percent of the course requirements for a degree program, including the  
23 name and title of the primary contact of the off-campus site, address, phone number, and program

1 or programs by CIP code offered at the site, or course or courses if not offering an entire degree  
2 program at the site;

3 (g) Program Information.

4 1. Changes, if any, in program requirements for each program within the last year including  
5 admission requirements, courses required, the number of credit hours required for the program or  
6 major;

7 2. Results of the most recent program evaluation;

8 3. Methods used to assess student achievement;

9 4. Results of the most recent assessment of student achievement; and

10 5. A list of programs withdrawn within the last year in which there are no longer students  
11 enrolled including program title, degree level, CIP code, and address where the program is no  
12 longer being offered;

13 (h) Faculty Information. Vitae for each program faculty member employed within the last  
14 year;

15 (i) Facilities Information. Verification of compliance with all applicable local, state, and  
16 federal safety and fire codes; and

17 (j) Library information regarding the library collection and budget, and lease, contract, or  
18 letter of agreement authorizing use of other library collection, if any.

19 (2) (a) A college whose license expires by July 1, 2010 shall complete and submit the  
20 “Application for Annual Maintenance of License or for Renewal of License pursuant to 13 KAR  
21 1:020” for maintenance of its license by May 1, 2010. If that college’s license is subsequently  
22 renewed, then the college shall complete the “Application for Annual Maintenance of License or  
23 for Renewal of License pursuant to 13 KAR 1:020” in accordance with subsection (2)(b) of this

1 section thereafter.

2 (b) A college whose license expires after July 1, 2010 shall complete the “Application for  
3 Annual Maintenance of License or for Renewal of License pursuant to 13 KAR 1:020” by April 1  
4 of every year beginning April 1, 2011.

5 (3) The president may conduct, or may have conducted, a site visit as part of the annual  
6 maintenance of a license or renewal of a license process in accordance with section 4 of this  
7 administrative regulation.

8 (4) Within ninety (90) working days of the submission of a complete and accurate  
9 “Application for Annual Maintenance of License or for Renewal of License pursuant to 13 KAR  
10 1:020” where a site visit is not conducted, or within ninety (90) working days of the completion of  
11 a site visit, the president shall:

12 (a) notify the college of any deficiencies which must be corrected before the college’s  
13 license can be maintained or renewed;

14 (b) deny maintenance or renewal of the college’s license;

15 (c) maintain the college’s license without changing the college’s license renewal date; or

16 (d) renew the college’s license to June 30 of the next year.

17 (5) A college’s failure to submit a complete and accurate “Application for Annual  
18 Maintenance of License or for Renewal of License pursuant to 13 KAR 1:020” shall be grounds  
19 for denial of a license, or suspension or revocation of an existing license, and the president shall  
20 notify the college by registered mail, return receipt, of the denial, suspension, or revocation of the  
21 college’s license.

22 ~~[(d) The student headcount enrollment for the fall term in each licensed program submitted~~  
23 ~~through the Council on Postsecondary Education data collection system; and~~

1           ~~(e) The number of students completing each licensed program submitted through the~~  
2   ~~Council on Postsecondary Education data collection system.~~

3           ~~(2) The annual report for the Kentucky site of out-of-state colleges shall contain the~~  
4   ~~following:~~

5           ~~(a) Statements from the Kentucky Higher Education Assistance Authority related to~~  
6   ~~programs administered by that agency and from the United States Department of Education related~~  
7   ~~to programs administered by that department that the college is in good standing.~~

8           ~~(b) A statement prepared by an independent certified public accountant confirming that:~~

9           ~~1. The amount of the surety bond coverage is equal to or in excess of the largest amount of~~  
10   ~~unearned tuition held by the college at any time during the most recently completed fiscal year; or~~

11          ~~2. The amount of the college's unrestricted endowment is equal to or in excess of the largest~~  
12   ~~amount of unearned tuition held by the college at any time during the most recently completed~~  
13   ~~fiscal year; or~~

14          ~~3. The letter of credit is equal to or in excess of the largest amount of unearned tuition held~~  
15   ~~by the college at any time during the most recently completed fiscal year; or~~

16          ~~4. Any combination of surety bond coverage, unrestricted endowment, and letter of credit~~  
17   ~~is equal to or in excess of the largest amount of unearned tuition held by the college at any time~~  
18   ~~during the most recently completed fiscal year.~~

19          ~~(c) A current list of the college's agents;~~

20          ~~(d) The student headcount enrollment for the fall term in each licensed program submitted~~  
21   ~~on forms provided by the president; and~~

22          ~~(e) The number of students completing each licensed program submitted on forms provided~~  
23   ~~by the president.]~~

1           Section 11. Required Data Submission. (1) A licensed college shall submit student  
2 attendance and performance data in an electronic format. The required data fields, the format and  
3 method of submission, and the dates for submission shall be in accordance with the “Licensure  
4 Compliance Reporting Manual.”

5           (2) The president may conduct, or may have conducted, a site visit as part of the data  
6 submission process in accordance with section 4 of this administrative regulation.

7           (3) A college’s failure to submit complete, timely, and accurate data may be sufficient  
8 grounds for denial of a license, or suspension or revocation of an existing license, and the president  
9 shall notify the college by registered mail, return receipt, of the denial, suspension, or revocation of  
10 the college’s license.

11           Section 12 [6]. License Expiration.

12           (1) A license shall automatically expire [within sixty (60) days] following any of these  
13 developments:

14           (a) [(1) A license renewal application is not submitted];

15           [(2)] An in-state college ceases operating or soliciting [operation]; or

16           (b) [(3)] An out-of-state college ceases operating or soliciting [operation at a Kentucky  
17 site].

18           (2) A college that ceases operating or soliciting shall comply with sub-section (14)(g) of  
19 section 8 of this administrative regulation and KRS 164.020 (23).

20           ~~[Section 7. Standards for Licensure. The president may determine that an in-state college~~  
21 ~~meets the standards and requirements of this section if the college has been accredited by an~~  
22 ~~accrediting agency. The president shall determine that the following requirements or standards are~~  
23 ~~met in considering applications for a license and for license renewal:~~

1           ~~(1) Financial stability. The college shall adhere to generally accepted accounting practices~~  
2 ~~and present evidence of financial stability, including the following:~~

3           ~~(a) A financial statement including assets and liabilities and the audit report of an~~  
4 ~~independent certified public accountant for each corporation of the college;~~

5           ~~(b) The name of a bank or other financial institution college as reference; and~~

6           ~~(c) statements from the Kentucky Higher Education Assistance Authority related to~~  
7 ~~programs administered by that agency and from the United States Department of Education related~~  
8 ~~to programs administered by that department that the college is in good standing~~

9           ~~(2) A college shall be responsible for the actions of its agents;~~

10           ~~and shall guarantee the refund of any unearned tuition held by the college in one (1) of the~~  
11 ~~following ways:~~

12           ~~(a) Maintain a surety bond which shall be executed by a surety company qualified and~~  
13 ~~authorized to do business in Kentucky and shall be made payable to the Council on Postsecondary~~  
14 ~~Education; or~~

15           ~~(b) Maintain an unrestricted endowment; or~~

16           ~~(c) Provide a letter of credit.~~

17           ~~(d) An in-state college shall provide a statement by an independent certified public~~  
18 ~~accountant confirming that:~~

19           ~~1. the amount of the surety bond coverage is equal to or in excess of the largest amount of~~  
20 ~~unearned tuition held by the college at any time during the most recently completed fiscal year; or~~

21           ~~2. The unrestricted endowment is equal to or in excess of the largest amount of unearned~~  
22 ~~tuition held by the college at any time during the most recently completed fiscal year; or~~

23           ~~3. The letter of credit is equal to or in excess of the largest amount of unearned tuition held~~

1 by the college at any time during the most recently completed fiscal year; or

2 4. Any combination of surety bond coverage, unrestricted endowment, and letter of credit  
3 is equal to or in excess of the largest amount of unearned tuition held by the college at any time  
4 during the most recently completed fiscal year.

5 (e) An out-of-state college shall provide a statement by an independent certified public  
6 accountant confirming that for the Kentucky site or sites:

7 1. The amount of the surety bond coverage is equal to or in excess of the largest amount of  
8 unearned tuition held by the college at any time during the most recently completed fiscal year; or

9 2. The unrestricted endowment is equal to or in excess of the largest amount of unearned  
10 tuition held by the college at any time during the most recently completed fiscal year; or

11 3. The letter of credit is equal to or in excess of the largest amount of unearned tuition held  
12 by the college at any time during the most recently completed fiscal year; or

13 4. Any combination of surety bond coverage, unrestricted endowment, and letter of credit  
14 is equal to or in excess of the largest amount of unearned tuition held by the college at any time  
15 during the most recently completed fiscal year.

16 (f) A college applying for a license for the first time shall estimate the amount of unearned  
17 tuition based on projected enrollment and tuition and other instructional charges.

18 (g) If the surety bond is terminated, the college shall notify the president and the license  
19 shall automatically expire with the bond unless a replacement bond is provided without a lapse in  
20 bonding.

21 (h) If the unrestricted endowment falls below the required amount, the college shall notify  
22 the president and the college shall obtain a surety bond for the amount of coverage or a letter of  
23 credit, which in combination with the unrestricted endowment, is equal to or in excess of the

1 largest amount of unearned tuition held by the college in the most recently completed fiscal year.

2 ~~(3) Personnel requirements. (a) The college may be required to furnish information~~  
3 ~~regarding the administrative officers, the directors, the owners, and the faculty.~~

4 ~~(b) The chief administrator shall hold at least an earned baccalaureate degree from an~~  
5 ~~accredited or licensed college and shall have sufficient experience to qualify for the position.~~

6 ~~(c) Faculty members shall possess academic, scholarly, and teaching qualifications usually~~  
7 ~~required for faculty in accredited colleges which offer degrees at comparable levels.~~

8 ~~(d) There shall be a sufficient number of full-time faculty to insure continuity and stability~~  
9 ~~of the educational program.~~

10 ~~(e) Teaching loads of faculty members shall be consistent with recognized educational~~  
11 ~~practices, and shall be appropriate to the field, the variety of courses assigned, class size, and other~~  
12 ~~related factors.~~

13 ~~(4) Facilities and equipment.~~

14 ~~(a) The college shall be maintained and operated in compliance with the safety and health~~  
15 ~~requirements set forth in local, city, and county ordinances, and federal and state law, including~~  
16 ~~rules and administrative regulations adopted pursuant thereto.~~

17 ~~(b) Adequate and appropriate space shall be maintained for instruction in classrooms and~~  
18 ~~laboratories.~~

19 ~~Enrollment shall not exceed the design characteristics of the facilities. The instructional~~  
20 ~~program shall not be conducted in substandard facilities and the quality and quantity of equipment~~  
21 ~~shall be adequate and appropriate for the program.~~

22 ~~(5) Library. The library shall be appropriate to support the programs offered by the~~  
23 ~~college.~~

1           ~~(a) The collection of books, periodicals, newspapers, teaching aids, and other instructional~~  
2 ~~materials, and, equipment shall be adequate for the needs of the educational program, shall be~~  
3 ~~appropriately housed, and shall be readily accessible to the faculty and students.~~

4           ~~(b) A program for continuous acquisition of current library materials and for the recording~~  
5 ~~of all library holdings shall be clearly outlined and maintained.~~

6           ~~(c) Library expenditures, expressed as a percentage of the total educational and general~~  
7 ~~budget, shall be consistent with the percentage of library expenditures commonly observed in~~  
8 ~~accredited colleges of similar types.~~

9           ~~(d) A professionally trained and competent library staff, adequate to serve the needs of the~~  
10 ~~students and to support the educational program, shall be provided.~~

11           ~~(e) Sufficient seating and work space for a reasonable proportion of the faculty and~~  
12 ~~students to be accommodated at one (1) time shall be provided.~~

13           ~~(f) The physical environment of the library shall be conducive to reflective intellectual~~  
14 ~~pursuits common to institutions of higher learning.~~

15           ~~(g) a college which does not provide its own library facilities and must rely on other~~  
16 ~~institutions to provide library resources shall demonstrate that permission to utilize library~~  
17 ~~resources has been obtained prior to implementation of its programs. The extent of dependence on~~  
18 ~~other libraries shall be clearly stated and the nature and details of the agreements or contracts with~~  
19 ~~the participating libraries shall be explained and exhibited. The details of the contractual~~  
20 ~~agreements with other libraries must meet the criteria outlined in the above standards.~~

21           ~~(6) Curriculum. Earned degrees shall be bona fide academic degrees and the courses~~  
22 ~~offered in degree programs shall be of collegiate quality as determined by the president using the~~  
23 ~~following criteria:~~

1           ~~(a) Courses offered in degree programs shall be consistent with those generally~~  
2 ~~transferable for credit among accredited colleges in programs of corresponding degree levels, and~~  
3 ~~for credit toward the baccalaureate degree if such programs are at the associate degree level; or~~

4           ~~(b) Courses are not usually transferable because of the uniqueness of a program, or for~~  
5 ~~other valid educational reasons are determined to be of collective quality.~~

6 ~~A college shall not offer a master's degree, a doctoral degree, or any other graduate level degree, as~~  
7 ~~determined by the president, unless the college is accredited.~~

8           ~~(d) The college shall have a systematic program of curriculum revision in order to~~  
9 ~~maintain the general standards of accredited colleges with similar programs.~~

10          ~~(e) The college shall have a program of evaluation which includes a periodic assessment~~  
11 ~~of the changes in student achievement.~~

12          ~~(7) General education.~~

13          ~~(a) A reasonable percentage of the total credits comprising associate degrees and~~  
14 ~~baccalaureate degrees shall be earned in general education, including science mathematics, social~~  
15 ~~and behavioral sciences, and humanities. A college which offers an interdisciplinary general~~  
16 ~~education program, a block type program, or other unique general education program shall be~~  
17 ~~considered to be in compliance with the general education requirement if the president determines~~  
18 ~~that the program content and distribution are appropriately related to the degree and institutional~~  
19 ~~purposes.~~

20          ~~(b) A new college, and any existing college which initiates a new associate degree or~~  
21 ~~baccalaureate degree program or major, or other concentration or specialty, after the effective date~~  
22 ~~of these administrative regulations, shall comply fully from the outset with the general education~~  
23 ~~requirements.~~

1 ~~(8) Program supervision and instructional support. Regardless of location, type of~~  
2 ~~program, method of instruction, or other characteristics, an instructional program for which degree~~  
3 ~~credit is awarded shall include the following:~~

4 ~~(a) Adequate supervision by the college; and~~

5 ~~(b) Other instructional support as may be required to maintain a program of acceptable~~  
6 ~~quality.~~

7 ~~(9) Truth in advertising. A college shall observe the following standards in its advertising:~~

8 ~~(a) Advertisements, announcements, and promotional material of any kind which are~~  
9 ~~distributed in Kentucky shall not contain any statements that are untrue, deceptive, or misleading~~  
10 ~~with respect to the college, its personnel, its services, or the content, accreditation status and~~  
11 ~~transferability of its courses or degree programs.~~

12 ~~(b) Advertisements, announcements, or other materials produced by or on behalf of the~~  
13 ~~college shall not indicate that the college is "supervised," "recommended," "endorsed," or~~  
14 ~~"accredited" by the Commonwealth of Kentucky, by the Council on Postsecondary Education, or~~  
15 ~~by any other state agency. An advertising statement, if any, shall be in exactly the following form:~~  
16 ~~"(Name of College) is licensed by the Kentucky Council on Postsecondary Education."~~

17 ~~(10) Recruitment and enrollment procedures. A college shall furnish the following to each~~  
18 ~~student prior to enrollment:~~

19 ~~(a) The college's policies on grades, attendance, and conduct;~~

20 ~~(b) A description of the instructional program;~~

21 ~~(c) A detailed schedule of all charges, rentals, and deposits;~~

22 ~~(d) The schedule of refunds of all charges, rentals, and deposits; and~~

23 ~~(e) The student enrollment application, contract, or agreement.~~

1           ~~(11) Student affairs.~~

2           ~~(a) Students admitted to the college shall have completed a state approved secondary~~  
3 ~~school program or its equivalent.~~

4           ~~(b) A student admitted to an instructional program shall have demonstrated a readiness for~~  
5 ~~such instruction in the field or specialty, and the student's preparation, aptitude, and interest shall~~  
6 ~~be determined to provide reasonable assurance that the student has the potential to benefit from the~~  
7 ~~instruction offered.~~

8           ~~(c) The college shall provide academic counseling by faculty or staff to each student at the~~  
9 ~~time of admission and throughout the program.~~

10          ~~(d) The college shall make assistance and counseling available to each student who~~  
11 ~~completes a technical or vocational program for the purpose of assisting the student with an~~  
12 ~~appropriate job placement or with transfer.~~

13          ~~(e) The college shall maintain sufficient records for each student to provide an~~  
14 ~~understanding of his background, to record his progress through the instructional program, and for~~  
15 ~~reference purposes.~~

16          ~~(f) Administrative officers of the college shall be knowledgeable of the federal and state~~  
17 ~~laws and administrative regulations concerning the disclosure of student information and shall~~  
18 ~~comply with such laws and administrative regulations.~~

19          ~~(g) A college which plans to cease operation in Kentucky shall make adequate provision~~  
20 ~~for the maintenance of student records. The location of student records shall be approved in~~  
21 ~~advance by the president.~~

22          ~~(h) The college shall establish suitable policies and procedures whereby a student is assured~~  
23 ~~of an appeal process that affords due process.~~

1           ~~(12) College policies.~~

2           ~~(a) The college shall maintain records in an orderly manner and make them available for~~  
3 ~~inspection by the president or his designated representative.~~

4           ~~(b) A catalog shall be published at least every two (2) years and shall include general~~  
5 ~~information, administrative policies, and academic policies of the college as indicated below:~~

6           ~~1. General information.~~

7           ~~a. Official name and address of the college, name of the chief administrative officers,~~  
8 ~~members of the governing body, and names of principal owners.~~

9           ~~b. The college's calendar for the period covered by the catalog including beginning and~~  
10 ~~ending dates of each term or semester, registration and examination dates, legal holidays, and other~~  
11 ~~important dates.~~

12           ~~c. Names of faculty, including relevant education and experience.~~

13           ~~d. Full disclosure of the philosophy and purpose of the institution and its capacity to fulfill~~  
14 ~~these objectives.~~

15           ~~2. Administrative policies.~~

16           ~~a. Admissions policies and procedures, applicable to the various programs, including~~  
17 ~~policies regarding granting of credit for previous education.~~

18           ~~b. Policies and procedures regarding student conduct and behavior and the process for~~  
19 ~~dealing with cases which culminate in probation or dismissal.~~

20           ~~c. Schedules for all tuition and instructional charges, and refund schedules for such tuition~~  
21 ~~and instructional charges.~~

22           ~~d. Statement of financial aid available to students.~~

23           ~~e. Procedures for obtaining transcripts in a timely fashion and at reasonable cost.~~

- 1           3. ~~Academic policies.~~
- 2           a. ~~Policy on class attendance.~~
- 3           b. ~~Description of grading system.~~
- 4           c. ~~Description of the degree, diploma, certificate, and other programs, including the course~~  
5 ~~requirements and the time normally required to complete each.~~
- 6           d. ~~Full description of the nature and objectives of all degrees offered.~~
- 7           (c) ~~Refund policy on tuition and other instructional charges. The refund policy shall meet~~  
8 ~~the following minimum requirements:~~
- 9           1. ~~If tuition and other instructional charges are collected in advance of enrollment and the~~  
10 ~~student fails to enroll, then not more than \$100, or not more than ten (10) percent of the tuition and~~  
11 ~~other instructional charges for a term or semester, whichever is less, shall be retained by the~~  
12 ~~college.~~
- 13           2. ~~Tuition and other instructional charges ordinarily shall be charged by the enrollment~~  
14 ~~period, and the student shall not be obligated for tuition or other instructional charges relating to an~~  
15 ~~enrollment period that had not begun when the student withdrew. However, the president may~~  
16 ~~approve program tuition for specific programs at a college if a student may only enroll at the~~  
17 ~~beginning of the program sequence and must remain in phase. If program tuition is approved, the~~  
18 ~~college shall refund tuition and other instructional charges in accordance with its published refund~~  
19 ~~policy.~~
- 20           3. ~~If a student withdraws from the college, or if a student fails to attend classes for a period~~  
21 ~~of thirty (30) days during which classes are in session, the college shall officially withdraw the~~  
22 ~~student from the college and shall refund an amount reasonably related to the period for which the~~  
23 ~~student is not enrolled and shall refund 100 percent of all other tuition and other fees collected by~~

1 ~~the institution for subsequent enrollment or registration periods unless the student is enrolled in a~~  
2 ~~program for which program tuition is charged as specified in subparagraph 2 of this paragraph.~~

3 ~~a. After completion of fifty (50) percent of the enrollment period, the college is not~~  
4 ~~required to make refunds of tuition or other fees for that period.~~

5 ~~b. In all other cases, including illness or accident, the college shall make a settlement~~  
6 ~~which is fair and reasonable.~~

7 ~~c. Refunds shall be made within thirty (30) days after notification of withdrawal has been~~  
8 ~~received by the college.~~

9 ~~4. Notwithstanding the provisions as set forth herein, if a college is accredited by an~~  
10 ~~accrediting agency which has a specific refund policy which is more favorable to the student, then~~  
11 ~~such policy shall be followed.~~

12 ~~5. An out of state college shall refund in accordance with the policies indicated herein~~  
13 ~~unless its policy is more favorable to the student, in which case the latter shall be followed.]~~

14 Section 13 [8]. Consumer Complaint Procedure.

15 (1) A person with a complaint or grievance involving misrepresentation against a college  
16 licensed under these administrative regulations shall make a reasonable effort to resolve the  
17 complaint or grievance directly with the college. If a mutually satisfactory solution cannot be  
18 reached, the following procedure shall be followed:

19 (a) A person shall submit a written complaint [~~(1) A written statement of the complaint~~  
20 ~~shall be submitted]~~ to the president which contains evidence relevant to the complaint and  
21 documentation that a reasonable effort was made to resolve the complaint directly with the college.

22 (b) The president may require an institution to file a written response setting forth the  
23 relevant facts concerning the consumer complaint, including a statement on the current status of

1 the complaint, and any resolution of the complaint.

2 (c) [(2)] The president shall review the facts as presented and may intervene to bring the  
3 matter to a satisfactory conclusion through facilitation, but such facilitation shall not include legal  
4 action on behalf of any party.

5 [(3)] ~~If the president determines that the college may no longer be in compliance with the~~  
6 ~~provisions of this administrative regulation, the college may be required to document its continuing~~  
7 ~~compliance with this administrative regulation in the form and manner determined by the~~  
8 ~~president.]~~

9 Section 14[9]. Hearings and Appeals.

10 (1) The president may, for cause, require the chief administrative officer, or other officers,  
11 of a college to appear for a hearing consistent with the provisions of KRS 13B.005 – 13B.170, in  
12 order to determine the facts if the president has determined that there is sufficient cause for a  
13 suspension or revocation of a license or placement of a college's license in a probationary status ~~in~~  
14 ~~the case].~~

15 (2) ~~[At such hearings,]~~ The officer, or other officers, of the college may be accompanied at  
16 the hearing by counsel of their own choosing and at their expense.

17 (3) Within thirty (30) working days after a hearing is held, the president shall reach a  
18 determination and shall issue findings, in writing, to the council and to the chief executive officer  
19 of the college.

20 (4) If the findings warrant, the president may impose the sanctions authorized in this  
21 section.

22 [(2) Sanctions. Probation, suspension of license, or revocation of license.]

23 (5) [(a)] If it is determined, on the basis of the procedures described herein, that the public

1 interest requires that sanctions be imposed, the president may take one (1) or more of the following  
2 steps [~~may be taken~~]:

3 (a) Impose one (1) of the following sanctions:

4 1. Place the college's license in a probationary status for a designated period not to exceed  
5 one (1) year while deficiencies are being corrected;

6 2. Suspend the college's license for a period not to exceed one (1) year; or

7 3. Revoke the college's license; or

8 (b) [4.] Refer the case to other officials for appropriate legal action.

9 (6) [(b)] A college which is sanctioned, whether such sanction is probation, suspension of  
10 license, or revocation of license, shall comply with the terms of such sanction.

11 (7) [(c) Any expense incurred in site visits, and for other purposes related to the removal of  
12 such sanctions, shall be borne by the college, notwithstanding the provisions of Section 3(4) of this  
13 administrative regulation.

14 (3)] A college may appeal the actions of the president regarding the denial of issuance of a  
15 license or license renewal or the imposition of sanctions according to the following procedure:

16 (a) A college shall notify the president of the intent to appeal an action within fourteen  
17 (14) days of the receipt of the letter notifying the college of the action taken;

18 (b) The president shall request that the Office of Administrative Hearings appoint a  
19 hearing officer who shall conduct an administrative hearing consistent with the provisions of KRS  
20 13B.005 – 13B.170. [appoint a person to serve as the appeals officer];

21 (c) The appeal shall be presented in writing no later than sixty (60) days following the  
22 receipt of notification of intent to appeal. [~~The appeal shall be considered on the written record~~  
23 ~~alone;~~]

1 (d) The appeals officer shall review findings of fact, consider testimony, draw conclusions,  
2 and formulate a recommendation consistent with the facts and this administrative regulation;

3 (e) Within fourteen (14) days, the report of the appeals officer shall be forwarded to the  
4 college and to the president [~~Chairman~~] of the Council on Postsecondary Education;

5 (f) The president [~~Council on Postsecondary Education~~] shall act on the appeal at its next  
6 regular or special meeting; and

7 (g) The president [~~council~~] shall take one (1) of the following actions:

8 1. Issue a license;

9 2. Renew the license;

10 3. Impose one (1) of the sanctions authorized in this section; or

11 4. Refer the case to other officials for appropriate action.

12 (8) Any expense incurred for a site visit, and for other purposes related to the removal of  
13 such sanctions, shall be borne by the college.

14 Section 15. License Fees.

15 (1) The president shall assess a fee in accordance with the “Kentucky Licensure Fee  
16 Schedule” that is incorporated by reference herein.

17 (2) The president may adjust a license fee based upon the consumer price index or other  
18 appropriate indicator.

19 (3) Failure to pay a fee shall be sufficient grounds for denial of a license, or suspension or  
20 revocation of an existing license.

21 Section 16. Incorporation by Reference. (1) The following material is incorporated by  
22 reference:

23 (a) “Application for Licensure as an In-State, Non-Public Institution to Operate in the

1 Commonwealth of Kentucky Pursuant to 13 KAR 1:020”

2 (b) “Application for Licensure as an Out-of-State Institution to Operate in the

3 Commonwealth of Kentucky Pursuant to 13 KAR 1:020”

4 (c) “Supplementary Application for Change of Name of Institution Pursuant to 13

5 KAR 1:020”

6 (d) “Supplementary Application for Change of Location of Principal Location of a

7 College or Location of a Licensed Instructional Site in Kentucky Pursuant to 13 KAR 1:020”

8 (e) “Supplementary Application for Change of Ownership or Governance pursuant to

9 13 KAR 1:020”

10 (f) “Supplementary Application to Operate as an Out-of-State Institution in the

11 Commonwealth of Kentucky Pursuant to 13 KAR 1:020”

12 (g) “Supplementary Application to Operate as an In-State Institution in the

13 Commonwealth of Kentucky Pursuant to 13 KAR 1:020”

14 (h) “Supplementary Application for Administrative Site, Recruitment Office, or

15 Advising Center Pursuant to 13 KAR 1:020”

16 (i) “Supplementary Application for Notification of Change in Accreditation or

17 Licensure Status Pursuant to 13 KAR 1:020”

18 (j) “Application for Annual Maintenance of License or for Renewal of License

19 Pursuant to 13 KAR 1:020”

20 (k) “Licensure Compliance Reporting Manual”

21 (l) “Kentucky Licensure Fee Schedule”

22 (2) This material may be inspected, copied, or obtained, subject to applicable copyright

23 law, at the Kentucky Council on Postsecondary Education, 1024 Capital Center Drive, Suite 320,

- 1 Frankfort, Kentucky, 40601, Monday through Friday, 8:00 a.m. to 4:30 p.m.

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Date

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Paul Patton, Chair  
Council on Postsecondary Education

APPROVED AS TO FORM:

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Date

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Dennis L. Taulbee, General Counsel  
Council on Postsecondary Education

## **Summary of Material Incorporated by Reference**

1. The “Application for Licensure as an In-State, Non-Public Institution to Operate in the Commonwealth of Kentucky pursuant to 13 KAR 1:020” is the 15-page licensure application form that in-state colleges are required to file to seek licensure from the Council on Postsecondary Education prior to operating or soliciting in Kentucky.
2. The “Application for Licensure as an Out-of-State Institution to Operate in the Commonwealth of Kentucky pursuant to 13 KAR 1:020” is the 15-page licensure application form that out-of-state colleges are required to file to seek licensure from the Council on Postsecondary Education prior to operating or soliciting in Kentucky.
3. The “Supplementary Application for Change of Name of Institution pursuant to 13 KAR 1:020” is the 1-page licensure application form that an already licensed college is required to file when the college proposes a change to name of the college.
4. The “Supplementary Application for Change of Location of Principal Location of a College or Location of a Licensed Instructional Site in Kentucky pursuant to 13 KAR 1:020” is the 2-page licensure application form that an already licensed college is required to file when the college proposes to change the principal location of a college or the location of a licensed instructional site in Kentucky.
5. The “Supplementary Application for Change of Ownership or Governance pursuant to 13 KAR 1:020” is the 3-page licensure application form that an already licensed college is required to file when the college proposes to change the ownership or governance of the college.
6. The “Supplementary Application to Operate as an Out-of-State Institution in the Commonwealth of Kentucky Pursuant to 13 KAR 1:020” is the 2-page licensure application form that an already licensed out-of-state college is required to file when the college proposes to offer an additional certificate, diploma, degree program, major, or other concentration or specialty.
7. The “Supplementary Application to Operate as an In-State Institution in the Commonwealth of Kentucky Pursuant to 13 KAR 1:020” is the 3-page licensure application form that an already licensed in-state college is required to file when the college proposes to offer an additional certificate, diploma, degree program, major, or other concentration or specialty, or proposes to establish a new off-campus site.
8. The “Supplementary Application for Administrative Site, Recruitment Office, or Advising Center pursuant to 13 KAR 1:020” is the 2-page licensure application form that an already licensed college is required to file when the college proposes to establish an administrative site, recruitment office, or advising center in Kentucky, or change the location of an already licensed administrative site, recruitment office, or advising center in Kentucky, where the site, office, or center is not part of a licensed instructional site or proposed instructional site

for which the college is seeking licensure.

9. The “Supplementary Application for Notification of Change in Accreditation or Licensure Status pursuant to 13 KAR 1:020” is the 1-page licensure form that an already licensed college is required to file following action by an accrediting or licensing agency that results in the college being placed in a probationary status, losing accreditation or licensure, or being denied accreditation or licensure.
10. The “Application for Annual Maintenance of License or for Renewal of License Pursuant to 13 KAR 1:020” is the 5-page licensure form that an already licensed college is required to file to in order to annually maintain or renew its license.
11. The “Licensure Compliance Reporting Manual” is licensure document that an already licensed college is required to follow in submitting data annually in order to renew its license.
12. The “Kentucky Licensure Fee Schedule” is the 4-page licensure document that sets forth the fees that the Council on Postsecondary Education will assess and colleges shall pay for licensure.

**PUBLIC HEARING AND PUBLIC COMMENT PERIOD:** A public hearing on this administrative regulation shall be held on October 27, 2009 at 10:00 a.m. at the Council on Postsecondary Education, 1024 Capital Center Drive, Suite 320, Frankfort, Kentucky, 40601 in Conference Room A. Individuals interested in being heard at this hearing shall notify this agency in writing five workdays prior to the hearing, of their intent to attend. If no notification to attend the hearing is received by that date, the hearing may be cancelled.

This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made.

If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation.

Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

**CONTACT PERSON:**

Sarah Levy  
Council on Postsecondary Education  
1024 Capital Center Dr.  
Suite 350  
Frankfort, Kentucky 40601  
Phone: 502.573.1555 ext. 350  
Fax: 502.573.1535  
Email: sarah.levy@ky.gov

REGULATORY IMPACT ANALYSIS  
AND TIERING STATEMENT

Administrative Regulation *13 KAR 1:020. Private College Licensing*

Contact person: Sarah Levy, Sr. Associate – Academic Affairs  
Council on Postsecondary Education  
1024 Capital Center Drive, Suite 320  
Frankfort, KY 40601  
502.573.1555 ext. 350  
sarah.levy@ky.gov  
FAX: 502.573.1535

- (1) Provide a brief summary of:
  - (a) What this administrative regulation does: This administrative regulation sets the standards and rules related to the licensing of private postsecondary education institutions, and proprietary postsecondary education institutions that are not licensed by the Board of Proprietary Education.
  - (b) The necessity of this administrative regulation: KRS 164.945 through 164.947 requires the Council on Postsecondary Education to license these institutions as a protection for Kentucky citizens and to protect bona fide institutions from those who engage in fraudulent practices, unfair competition, or substandard educational programs.
  - (c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 164.947 requires that the Council on Postsecondary Education, by regulation, shall adopt standards and procedures for the licensing of colleges.
  - (d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: The administrative regulation sets out the standards institutions must meet in order to be licensed to operate in Kentucky. It also defines the process for new license applications, for amendments to licenses, and for license renewals.
  
- (2) If this is an amendment to an existing administrative regulation, provide a brief summary of:
  - (a) How the amendment will change this existing administrative regulation: The process for filing a license application is better defined in the changes; a physical presence as a

basic requirement is articulated; the standards for licensure are updated to closely align with the latest SACS accreditation requirements; the complaint procedures are updated and the process of appeal for an adverse licensing decision is clarified; requirements for data reporting are better established as an element of providing consumer information; and, a fee structure is introduced.

- (b) The necessity of the amendment to this administrative regulation: This administrative regulation has not been updated since 1991. Since that time, numerous changes in accreditation standards have been introduced, and the entire field of distance learning has come into being. The complexity of the licensing issues requires a more detailed review than in the past, and this in turn requires additional staff; thus a fee structure is introduced.
  - (c) How the amendment conforms to the content of the authorizing statutes: The amendment conforms exactly to the authorizing statute.
  - (d) How the amendment will assist in the effective administration of the statutes: The administrative regulation better organizes the different licensure requirements, and simplifies the reporting process.
- (3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: There are over 50 institutions licensed by the Council on Postsecondary Education. A number of individuals and firms have expressed interest in following the administrative regulation revisions of the Council. The primary impact is on institutions currently licensed by the Council, and on those new institutions who will seek licenses from the Council.
- (4) Provide an assessment of how the above group or groups will be impacted by either the implementation of this administrative regulation, if new, or by the change if it is an amendment: The improvements in the organization of the administrative regulation as well as the simplification of the information requirements in annual reporting should have a positive impact on the affected groups. The introduction of a new fee structure will be perceived by some institutions as negative, but will, in fact, have a positive impact by allowing us to upgrade the services we provide and thus to be more responsive to institutional requests for licensure.

- (5) Provide an estimate of how much it will cost to implement this administrative regulation:
- (a) Initially: We estimate that the cost will be about \$222,900 to \$567,700 per year, less any revenue generated from fees. We estimate revenue generation of \$272,400 per year from the fees after the annual fee is implemented in April 2011.
  - (b) On a continuing basis: We estimate that the cost will be about \$222,900 to \$567,700 per year, less any revenue generated from fees. We estimate revenue generation of \$272,400 per year from the fees after the annual fee is implemented in April 2011.
- (6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: License fees.
- (7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: Yes, new fees are introduced. The CPE has not charged fees before.
- .
- (8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: Yes. New fees are introduced for institutions seeking new licenses, for annual maintenance and renewal of licenses, and for supplementary license applications including review of new programs.
- (9) TIERING: Is tiering applied? Tiering is applied. In order to ease the burden on smaller, less complex institutions, the annual maintenance of license/renewal of license fee is based upon the number of years an institution has been licensed by the CPE and the enrollment at an institution.

**Commonwealth of Kentucky**  
**Council on Postsecondary Education**  
**KENTUCKY LICENSURE FEE SCHEDULE**

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In addition to any costs connected with a site visit per 13 KAR 1:020 or 13 KAR 1:050, colleges shall pay the following fees for licensure:

**FOR COLLEGES NOT CURRENTLY LICENSED BY THE COUNCIL ON POSTSECONDARY EDUCATION:**

When a new college seeking licensure by the Council on Postsecondary Education submits an “Application for Licensure as an In-State, Non-Public Institution to Operate in the Commonwealth of Kentucky Pursuant to 13 KAR 1:020” if an in-state college, or an “Application for Licensure as an Out-of-State Institution to Operate in the Commonwealth of Kentucky Pursuant to 13 KAR 1:020” if an out-of-state college, then the college shall pay at the time of submission of the application the following fees:

**New College Application Fee**

- New in-state college \$1,000.00
- New out-of-state college (each site licensed separately) \$5,000.00

**PLUS**

**Offering Fee**

**(per program, or per course if not offering entire program)**

- Course if not offering entire program \$200.00
- Certificate, Diploma, or Associate’s program \$200.00
- Bachelor’s program \$500.00
- Master’s or Specialist program \$1,500.00
- Doctoral program \$2,000.00

**FOR COLLEGES ALREADY LICENSED BY THE COUNCIL ON POSTSECONDARY EDUCATION:**

- 1. New Program Fee for Already Licensed College (per program)** \$300

A college that is already licensed by CPE shall pay a new program fee at the time of submission of a “Supplementary Application to Operate as an Out-of-State Institution in the Commonwealth of Kentucky Pursuant to 13 KAR 1:020” if an already licensed out-of-state college, or a “Supplementary Application to Operate as an In-State Institution in the Commonwealth of Kentucky Pursuant to 13 KAR 1:020” if an already licensed in-state college if the new programs is at a new degree level or is a significant departure from previously licensed programs of the college:

- 2. New Additional In-State Instructional Site Fee for Already Licensed In-State College (per site)** \$200.00

An in-state college that is already licensed by CPE shall pay this fee per off-campus site at the time of submission of a “Supplementary Application to Operate as an In-State Institution in the Commonwealth of Kentucky Pursuant to 13 KAR 1:020” to CPE to establish a new site off the main campus for the purposes of offering courses for college credit which comprise at least twenty-five (25) percent of the course requirements for a degree program.

- 3. Change of Circumstances Fee for Already Licensed College (per circumstance)** \$200.00

A college that is already licensed by CPE shall pay this fee per circumstance at the time of submission of any of the following supplementary applications to CPE:

- “Supplementary Application for Change of Name of Institution pursuant to 13 KAR 1:020”
- “Supplementary Application for Change of Location of Principal Location of a College or Location of a Licensed Instructional Site in Kentucky pursuant to 13 KAR 1:020”
- “Supplementary Application for Change of Ownership or Governance pursuant to 13 KAR 1:020”
- “Supplementary Application for Administrative Site, Recruitment Office, or Advising Center pursuant to 13 KAR 1:020”
- “Supplementary Application for Notification of Change in Accreditation or Licensure Status pursuant to 13 KAR 1:020”
- A supplementary application that is required by the president due to a determination that other sufficient cause exists which requires a supplementary application.

**4. Annual Maintenance of License or Renewal of License Fee (annual)**

Beginning April 1, 2011, all licensed college shall pay this fee at the time of submission of an “Application for Annual Maintenance of License or for Renewal of License Pursuant to 13 KAR 1:020.”

An out-of-state college shall be charged this fee for each licensed instructional site in Kentucky, and enrollment shall be calculated per site, as each instructional site is licensed separately. Licensed online offerings for an out-of-state college shall be considered an “online campus” and an instructional site for purposes of this fee.

Enrollment shall be calculated using fall enrollment data from the prior academic year. For example, a fee due April 1, 2011 will be based upon enrollment data from the fall of 2009.

- For a college that has had a license from CPE for 10 years or more, the fee shall be:

Enrollment	
100-500	\$ 500.00
501-1,000	\$ 1,000.00
1,001-3,000	\$ 2,000.00
3,001 or above	\$ 3,000.00

- For a college that has had a license from CPE for less than 10 years, the fee shall be:

Enrollment	
100-500	\$2,000.00
501-1,000	\$3,000.00
1,001-3,000	\$5,000.00
3,001 and above	\$8,000.00

**LATE FEES**

A college submitting an application more than five (5) working days after the due date shall be assessed a late fee of 10% of the required fee for each five (5) working days the application is past due.

If a college submits an application by the due date but the application is incomplete, then CPE will notify the college and establish a specific date by which the college shall submit the remainder of the application. If the remainder of the application is not submitted by the established date, then CPE may assess a late fee of 10% of the required fee.

The president may waive or reduce a late fee in the case of mitigating circumstances as determined by the president.

**ALL FEES SHALL BE:**

- Due at the time of application
- Paid before any review of the college's application will begin
- Nonrefundable
- In the form of a check or money order
- Made payable to the "Kentucky Council on Postsecondary Education"
- Applied to the cost of administering KRS 164.945 to 164.947 and 13 KAR 1:020

CPE reserves the right to adjust fees based on the consumer prices index or other appropriate indicator.