

AN ACT concerning education.

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

Section 1. Short title. This Act may be cited as the Higher Education Distance Learning Act.

Section 5. Legislative declaration of public policy. In recent years, distance education offered by institutions of higher learning has been increasing, with such distance education being offered on an interstate basis by many institutions of higher learning. Often, students participate in such education in states where the institution of higher learning maintains no actual physical presence. Both the regulation and the availability of institutions of higher learning to participate in distance learning have been hampered by multi-jurisdictional differences between the states and uneven regulation among the states for the same programs. Various multi-state compacts have addressed this problem by creating a voluntary system of interstate reciprocity for institutions of higher learning to streamline authorization and regulations for institutions of higher learning that voluntarily agree to participate in a reciprocity program. The provision of such distance education is declared to affect the public safety and welfare and to be subject to regulation and

control in the public interest. It is further the public policy of this State that such a program of reciprocity be made available on a voluntary basis to participating institutions of higher learning and that any other institutions of higher learning that choose not to participate continue to be regulated under current laws and rules that govern distance learning.

Section 10. Definitions. In this Act:

"Board" means the Board of Higher Education.

"Distance learning" means instruction offered by any means where the student and faculty member are in separate physical locations. It includes, but is not limited to, online, interactive video or correspondence courses or programs.

"Home state" means the state that regulates a participating institution and its distance learning programs. A state cannot be the "home state" unless the institution of higher learning either has a physical presence in that state or holds its principal institutional accreditation in that state.

"Participation agreement" means the agreement that each participating institution is required to sign and abide by in order to take advantage of the reciprocity agreement.

"Participating institution" means any institution of higher learning that offers an associate's degree or higher, in whole or in part, through distance learning and has voluntarily or willingly entered into a participation agreement to be

regulated by a participating home state with respect to institutional and program approval, complaints, and institutional and program reviews.

"Physical presence" means on-going occupation of a physical location for instructional purposes or maintenance of an administrative office to facilitate instruction.

"State" means any state, commonwealth, district, or territory of the United States that is a participant in good standing in a state authorization reciprocity agreement.

"State authorization reciprocity agreement" or "reciprocity agreement" means a voluntary agreement that establishes reciprocity between willing states for approval of postsecondary educational services delivered by distance learning beyond state boundaries.

Section 15. Authorization. The Board is authorized to participate in a state authorization reciprocity agreement on behalf of this State. The Board shall be the lead agency in coordinating interstate reciprocity for distance learning for participating institutions in this State.

Section 20. Illinois as the home state. If this State has been designated as the home state for a participating institution, then the Board shall approve, investigate, authorize, monitor, and establish common standards, reauthorize, establish, and investigate complaints, and attend

to other administrative matters involving distance learning, including complaints from students and others in this State and from other states where the participating institutions are offering distance learning under a reciprocity agreement.

Section 25. Illinois as the reciprocal state. If another state has been designated as the home state, a participating institution has received required approval, the participating institution has no physical presence in this State, and the participating institution does not hold its principal institutional accreditation in this State, then the Board shall allow such participating institution to offer distance learning in this State under a participation agreement authorized by this Act. The Board may not charge a fee for granting such reciprocal distance learning approval.

However, if the participating institution has another home state, but also has a physical presence in this State or has its principal institutional accreditation in this State, the Board may regulate the institution of higher learning and its distance learning programs in this State and is not bound by the reciprocity agreement.

Section 30. Application of the Act. This Act applies only to distance learning programs and does not affect other approvals of institutions of higher learning or programs required under the laws of this State, nor does it affect any

exemptions of institutions of higher learning or programs granted by the laws of this State. However, except as required in Section 25 of this Act, any participating institution that remains eligible and in good standing under this Act is not required to obtain any other approval for distance learning required by State law, unless the institution of higher learning withdraws and is removed from this reciprocity program.

Nothing in this Act shall be construed to affect the authority of the Attorney General to enforce the Consumer Fraud and Deceptive Business Practices Act and the federal Consumer Financial Protection Act of 2010, as authorized by 12 U.S.C. 5552.

Section 35. Fees. Fees to cover the cost of administration and enforcement of this Act shall be set by the Board by rule.

Section 40. Distance Learning Fund. The Distance Learning Fund is created as a special fund in the State treasury. All fees collected for the administration and enforcement of this Act shall be deposited into the Fund. All money in the Fund shall be used, subject to appropriation, by the Board to supplement support for the administration and enforcement of this Act and may not be used for any other purpose.

Section 45. Student refund policy. The Board, by rule,

shall establish minimum standards for a fair and equitable policy that governs refunds for students, which must be required for all participating institutions subject to this Act.

Section 50. Equitable treatment of students. Students who are enrolled in institutions of higher learning governed by this Act, either because they are residents of the home state or because they are residents of participating reciprocal states, and who receive services from the Board under this Act are entitled to the same remedies, services, and redress under this Act, regardless of their state of residency.

Section 90. Rules. The Board shall adopt rules for the execution of the powers and duties delegated to it by this Act, including, but not limited to, minimum standards for institutions of higher learning.

Section 500. The State Finance Act is amended by adding Section 5.855 as follows:

(30 ILCS 105/5.855 new)

Sec. 5.855. The Distance Learning Fund.