



**INDIANA COMMISSION *for*
HIGHER EDUCATION**

Indiana Board for Proprietary Education

AGENDA

Wednesday, May 7, 2025

101 West Ohio Street, Suite 300
Indianapolis, IN 46204-4206

www.in.gov/bpe

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AGENDA

Meeting of the Board for Proprietary Education

Indiana Commission for Higher Education

May 7, 2025
11:00 am – 1:00 pm

Indiana Commission for Higher Education
Kent Weldon Board Room
101 West Ohio Street, Suite 300
Indianapolis, IN 46204

Microsoft Teams

[Join the meeting now](#)

Dial in by phone

[+1 317-552-1674](#)

Phone conference ID: 641 816 435#

I. Call to Order – 11:00 A.M. (*Eastern*)

Roll Call of Members and Determination of Quorum

II. Decision Items

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III. INFORMATION ITEM

OLD BUSINESS

NEW BUSINESS

ADJOURNMENT

The next meeting of the Board is tentatively scheduled for **June 2, 2025, in Indianapolis, Indiana.**

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BOARD FOR PROPRIETARY EDUCATION

Wednesday, May 7, 2025

DECISION ITEM A-1:

Approval of Electronic Meetings Policy

Staff Recommendation

That the Board for Proprietary Education (BPE) approve the electronic meetings policy in accordance with Indiana.

Background

State governing bodies may conduct remote meetings pursuant to Indiana Code (IC) 5-14-1.5-3.6.

The policy will be posted on BPE's website.

Supporting Document

Electronic Meetings Policy (in agenda packet)

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Board for Proprietary Education

Electronic Meetings Policy

Purpose:

The Board of Proprietary Education's (Board) Electronic Meetings Policy is intended to comply with Indiana Code (IC) 5-14-1.5-3.6 and provide the framework for participation in and the conduct of public meetings where a member of the Board participates in the meeting by electronic means of communication.

This policy is in effect if the Governor of Indiana has not declared a disaster emergency. In the case of a disaster emergency, electronic meetings shall be conducted under the provisions of IC 5-14-1.5-3.7, including any additional provisions permitted via the order of the Governor.

This policy does not apply to Executive Sessions.

In Person Attendance:

At least 3 members must be physically present at the place where the meeting is conducted.

Each Board member must be physically present at a minimum of 1 meeting per calendar year.

Votes:

All votes must be conducted by roll call.

Electronic Participation:

A Board member may participate via electronic means only if the member, all other members participating in the meeting, and all members of the public physically present at the place where the meeting is being conducted are able to simultaneously communicate with each other during the meeting.

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BOARD FOR PROPRIETARY EDUCATION

Wednesday, May 7, 2025

DECISION ITEM B-1:

Approve Fee Schedule Rule

Staff Recommendation

That the Board for Proprietary Education (BPE) approve the final rule incorporating BPE's current fee schedule into Indiana Administrative Code Title 571.

Background

The rule will incorporate BPE's current fee schedule into the Indiana Administrative Code (IAC), in compliance with IC 4-22-2-19.6, to maintain current administrative operations. Under IC 21-18.5-6-3 and IC 21-18.5-6-12(f), BPE is required to assess an authorization fee and a renewal fee, each with a specified statutory minimum dollar amount. In March 2022, the Board memorialized the current fee schedule through board action with an effective date of May 2022. However, the statutorily required fee structure has not been adopted through formal rulemaking and, consequently, is absent from the Indiana Administrative Code. Continued compliance with the aforementioned statutes and the continuance of current administrative operations necessitate the Board exercise its formal rulemaking authority under IC 21-18.5-6-27 to incorporate a fee structure into the Indiana Administrative Code pursuant to IC 4-22-2-19.6.

On January 22, 2025, BPE formally solicited public comment on incorporating the current fee schedule through rulemaking. The public comment period closed February 21, 2025. A public hearing was held on February 24, 2025. No comments were submitted during the comment period, and no public comments were presented during the public hearing.

The current fee schedule reflected in the rule is: the mandatory application for authorization fee is two thousand five hundred dollars (\$2,500), regardless of physical presence in Indiana, plus three hundred dollars (\$300) per program for initial authorization from an institution with a physical presence or twenty-five dollars (\$25) per program for initial authorization from an institution with no physical presence. Currently, the mandatory annual renewal fee is one thousand dollars (\$1,000), regardless of physical presence in Indiana, plus twenty-five dollars (\$25) per program for institutional authorization renewal, regardless of physical presence in Indiana.

BPE charges fees to cover the cost of processing applications and evaluating institutions at initial application and renewal.

This process includes: (1) a review of annual financial statement data; (2) the development of a scorecard summarizing an institution's components of its financial composite score; (3) the latest financial information data, trends, and annual revenues; and (4) the preparation of recommendations for further detailed analysis for institutions that merit further investigation. Institutions appearing on the watch list described in IC 20-19-7 have further detailed analysis, and institutional financial executives are interviewed.

All postsecondary credit-bearing proprietary educational institutions, as defined at IC 21-18.5-2-12, are impacted by this rule. This currently totals 104 institutions. However, the number changes annually.

This rule will not require any additional expenditures, nor will it collect any additional revenue, as the rule is incorporating the current fee structure into the Indiana Administrative Code. This money is deposited into the postsecondary credit bearing proprietary educational institution authorization fund pursuant to IC 21.18.5-6-26 (c).

Supporting Documents

The following documents are in the agenda packet:

- Final Rule
- Rule Regulatory Analysis
- Notice of First Public Comment Period
- Notice of Public Hearing

TITLE 571 BOARD FOR PROPRIETARY EDUCATION

Final Rule
LSA Document #25-2

DIGEST

BPE Fee Schedule

Adding rules to the Indiana Administrative Code at 571 IAC complies with IC 4-22-2-19.6. This rule will incorporate the Board's current fee structure into the Indiana Administrative Code. Continued compliance with the aforementioned statutes and the continuance of current administrative operations necessitate the Board exercise its formal rulemaking authority under IC 21-18.5-6-27 to incorporate a fee structure into the Indiana Administrative Code pursuant to IC 4-22-2-19.6.

HISTORY

State Budget Committee review of fee schedule for Board for Proprietary Education Authorized Institutions: June 11, 2024.

Proposed Rule and Regulatory Analysis submitted with Notice of First Public Comment Period: January 8, 2025 [20250122-IR-571250002FNA]

Notice of First Public Comment Period and Proposed Rule Publication: January 22, 2025

Notice of First Public Hearing Published: January 22, 2025: [20250122-IR-571250002PHA]

Date of First Public Hearing: February 24, 2025

Final Rule Submission: April 4, 2025

SUMMARY/RESPONSE TO COMMENTS

The Indiana Commission for Higher Education (ICHE) requested public comment from January 22, 2025, through February 21, 2025, and during the public hearing on February 24, 2025. The ICHE received no comments in response to the Notice of First Public Comment Period; there were no public comments submitted during the comment period and no public comments presented during the public hearing.

FINAL RULE

SECTION 1. 571 IAC 1 IS ADDED TO READ AS FOLLOWS:

ARTICLE 1. BOARD FOR PROPRIETARY EDUCATION

Rule 1. Board for Proprietary Education

571 IAC 1-1-1 Applicability

Authority: IC 21-18.5-6-27

Affected: IC 21-18.5-6-3; IC 21-18.5-6-12

Sec. 1. The definitions in this rule apply throughout this article. (Board for Proprietary Education; 571 IAC 1-1-1)

571 IAC 1-1-2 "Board for proprietary education" defined

Authority: IC 21-18.5-6-27

Affected: IC 21-18.5-5-1; IC 21-18.5-6-3; IC 21-18.5-6-12

Sec. 2. "Board for proprietary education" has the meaning set forth in IC 21-18.5-5-

1. (Board for Proprietary Education; 571 IAC 1-1-2)

571 IAC 1-1-3 "Institution" defined

Authority: IC 21-18.5-6-27

Affected: IC 21-18.5-2-12; IC 21-18.5-6-3; IC 21-18.5-6-12

Sec. 3. "Institution" has the meaning set forth in IC 21-18.5-2-12. (Board for Proprietary Education; 571 IAC 1-1-3)

571 IAC 1-1-4 "Institution with a physical presence" defined

Authority: IC 21-18.5-6-27

Affected: IC 21-18.5-6-3; IC 21-18.5-6-12

Sec. 4. "Institution with a physical presence" means an institution that currently occupies a physical location for student instruction or an administrative office to facilitate student instruction. (Board for Proprietary Education; 571 IAC 1-1-4)

571 IAC 1-1-5 "Institution with no physical presence" defined

Authority: IC 21-18.5-6-27

Affected: IC 21-18.5-6-3; IC 21-18.5-6-12

Sec. 5. "Institution with no physical presence" means an institution that does not currently occupy a physical location for student instruction or an administrative office to facilitate student instruction. (Board for Proprietary Education; 571 IAC 1-1-5)

571 IAC 1-1-6 "Program" defined

Authority: IC 21-18.5-6-27

Affected: IC 21-18.5-6-3; IC 21-18.5-6-12

Sec. 6. "Program" means each diploma, certificate, or degree program offered by an institution. (Board for Proprietary Education; 571 IAC 1-1-6)

571 IAC 1-1-7 Application cycle

Authority: IC 21-18.5-6-27

Affected: IC 21-18.5-6-3; IC 21-18.5-6-4; IC 21-18.5-6-12

Sec. 7. Institutions seeking initial authorization to operate in Indiana shall submit an application containing the requirements of IC 21-18.5-6-4 to the board for proprietary

education with the fee outlined in section 9 of this rule. (*Board for Proprietary Education; 571 IAC 1-1-7*)

571 IAC 1-1-8 Renewal cycle

Authority: IC 21-18.5-6-27

Affected: IC 21-18.5-6-3; IC 21-18.5-6-4; IC 21-18.5-6-12

Sec. 8. Institutions shall renew authorization annually by submitting an application containing the requirements of IC 21-18.5-6-4 and the renewal fee outlined in section 9 of this rule. (*Board for Proprietary Education; 571 IAC 1-1-8*)

571 IAC 1-1-9 Fee schedule

Authority: IC 21-18.5-6-27

Affected: IC 21-18.5-6-3; IC 21-18.5-6-12

Sec. 9. (a) The fees set by the board for proprietary education are as follows:

(1) Two thousand five hundred dollars (\$2,500) per application for initial institutional authorization from an institution with a physical presence plus three hundred dollars (\$300) per degree program for initial degree program authorization.

(2) Two thousand five hundred dollars (\$2,500) per application for initial institutional authorization from an institution with no physical presence plus twenty-five dollars (\$25) per program for initial program authorization.

(3) One thousand dollars (\$1,000) per application for institutional authorization renewal from an institution with a physical presence plus twenty-five dollars (\$25) per program for program renewal and three hundred dollars (\$300) per degree program for initial degree program authorization.

(4) One thousand dollars (\$1,000) per application for institutional authorization renewal from an institution with no physical presence plus twenty-five dollars (\$25) per program for program renewal.

(b) Fees must be paid not later than thirty (30) days after the application has been submitted.

(c) Nonpayment will result in the denial of the institutional authorization or renewal and program authorization or renewal.

(d) Failure to pay in accordance with the fee payment schedule, which results in the substantial nonpayment of the fee, may result in the revocation of the institutional authorization or renewal and program authorization or renewal.

(e) Fees are nonrefundable and may not be refunded or applied to a subsequent application or renewal if the:

(1) institutional authorization or renewal, or program authorization or renewal, is denied or revoked; or

(2) application is withdrawn after the payment is deposited. (*Board for Proprietary Education; 571 IAC 1-1-9*)

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TITLE 571 BOARD FOR PROPRIETARY EDUCATION**Regulatory Analysis**
LSA Document #25-2**I. Description of Rule**

a. History and Background of the Rule – Prior to doing business in Indiana, a postsecondary credit-bearing proprietary educational institution (institution) is required to obtain authorization from the Indiana Board for Proprietary Education (Board). Pursuant to [IC 21-18-6-3](#), an application for authorization must include a fee of at least one hundred (\$100) dollars for processing the application and evaluating the institution. Currently, the mandatory application for authorization fee is two thousand and five hundred dollars (\$2,500), regardless of physical presence in Indiana, plus three hundred dollars (\$300) per program for initial authorization from an institution with a physical presence or plus twenty-five dollars (\$25) per program for initial authorization from an institution with no physical presence. Further, an institution can annually renew their authorization by continuing to meet the requirements of [IC 21-18.5-6](#) and submitting a fee of at least twenty-five dollars (\$25) pursuant to [IC 21-19.5-6-12\(f\)](#). Currently, the mandatory annual renewal fee is one thousand dollars (\$1,000), regardless of physical presence in Indiana plus twenty-five dollars (\$25) per program for renewal institutional authorization, regardless of physical presence in Indiana.

The statutory requirement to submit an authorization fee predates the creation of the Board in 2012. The Commission on Proprietary Education (COPE) oversaw the authorization of institutions prior to 2012. The fees were established with the creation of the Indiana Commission on Proprietary Education in 1971. The fees were raised by the Commissioners of the COPE in 2011. House Enrolled Act 1270 (2012) simultaneously abolished COPE and established the Board. Through recodification, the Board inherited COPE's mandatory application and annual review fees and their corresponding fee minimum dollar amounts. In March 2022, the Board memorialized the current fee schedule through board action with an effective date of May 2022. However, the statutorily required fee structure has not been adopted through formal rulemaking and, consequently, is absent from Indiana Administrative Code. Continued compliance of the aforementioned statutes and the continuance of current administrative operations necessitate the Board exercise its formal rulemaking authority under [IC 21-18.5-6-27](#) to incorporate a fee structure into Indiana Administrative Code pursuant to [IC 4-22-2-19.6](#).

b. Scope of the Rule – This rule will apply to all postsecondary credit-bearing proprietary educational institution operating in Indiana, regardless of physical presence.

c. Statement of Need – The statutory purpose of the Board, as outlined in [IC 21-18.5-6-1](#), is to protect students, educational institutions, the general public, and honest and ethical operators of institutions from dishonest and unethical practices. The Board charges fees to cover the cost of processing applications and evaluating the institutions at initial application and renewal. Volatility in the proprietary education sector has required greater scrutiny of these institutions, necessitating the Board to increase fees in 2022.

In response to many high-profile closures of institutions that impacted thousands of Hoosier students, the Board has instituted a more rigorous evaluation process which focuses on the financial health of the institutions who operate in Indiana. This process includes: a review of annual financial statement data; the development of a scorecard summarizing the institution's components of their financial composite score, the latest financial information data, trends, and annual revenues; and, the preparation of recommendations for further detailed analysis for institutions which merit further investigation. Institutions appearing on the "Watch List" have further detailed analysis and institutional financial executives are interviewed.

d. Statutory Authority for the Proposed Rule – The authority for Board to charge application and renewal fees is outlined in [IC 21-18.5-6-3](#) (Application for Authorization Fee) and [IC 21-18.5-6-12\(f\)](#) (Authorization Renewal Fee). The Board's general rulemaking authority may be found at [IC 21-18.5-6-27](#).

e. Fees, Fines, and Civil Penalties – This rule will incorporate the Board's current fee structure into the Indiana Administrative Code. Adding this policy to the Indiana Administrative Code complies with [IC 4-22-2-19.6](#), and an explanation of how these fees are assessed is included in the Cost Analysis section.

II. Fiscal Impact Analysis

a. Anticipated Effective Date of the Rule – Early/mid 2025

b. Estimated Fiscal Impact on State and Local Government – This rulemaking will not have a fiscal impact on state and local government because the rule is incorporating the current fee structure into the Indiana Administrative Code.

c. Sources of Expenditures or Revenues Affected by the Rule – This rulemaking will not require any additional expenditures, nor will it collect any additional revenue, as the rule is incorporating the current fee structure into the Indiana Administrative Code. The annual average of the total fees collected between FY 2019 and FY 2023 is \$503,729. This money is deposited into the postsecondary credit bearing proprietary educational institution authorization fund pursuant to [IC 21.18.5-6-26](#) (c).

III. Impacted Parties

All postsecondary credit-bearing proprietary educational institutions, as defined at [IC 21-18.5-2-12](#), are impacted by this rule. This currently totals 104 institutions. However, the number changes annually.

IV. Changes in Proposed Rule

This rulemaking will not make any substantive changes to current practice or current fees. This rulemaking's sole purpose is to ensure the agency's compliance with [IC 4-22-2-19.6](#) by incorporating the Board's current fee structure into the Indiana Administrative Code. This specific rulemaking incorporates the fee structure as it relates to application, authorization and renewal fees.

570 IAC 2-1-1	Adds applicability section stating the definitions in the rule apply throughout the article.
570 IAC 2-1-2	Defines the board for proprietary education. The definition references Indiana Code for simplicity and consistency between the rule and law.
570 IAC 2-1-3	Defines institution. The definition references Indiana Code for simplicity and consistency between the rule and law.
570 IAC 2-1-4	Defines institution with a physical presence. This definition is needed for clarity when looking at the fee schedule to differentiate the types of institutions.
570 IAC 2-1-5	Defines institution with no physical presence. This definition is needed for clarity and to differentiate from the term above.
570 IAC 2-1-6	Defines program. This definition further clarifies terms used in the fee schedule so impacted parties will understand what each fee is referencing.
570 IAC 2-1-7	Establishes the application cycle and requires the payment of the applicable fee in the fee schedule.
570 IAC 2-1-8	Establishes the renewal cycle and requires the payment of the applicable fee in the fee schedule.
570 IAC 2-1-9	Establishes the fee schedule. This schedule is put into rule to comply with HEA 1623 (2023), and for clarity for impacted parties.

V. Benefit Analysis

a. Estimate of Primary and Direct Benefits of the Rule – The proposed rule ensures the consistent assessment of fees for applications and renewals by institutions for programs with a physical presence in the state and for those programs with no physical presence in the state. Further, this rulemaking is ensuring the Board's compliance with [IC 4-22-2-19.6](#).

b. Estimate of Secondary or Indirect Benefits of the Rule – The secondary, or indirect benefit of this rule, is that compliance with [IC 4-22-2-19.6](#) will allow the Board to continue collecting fees in the same methods that has been used for decades. This rule ensures the Board has the resources to ensure institutions operating in Indiana are monitored for fiscal stability with more warning of possible sudden unannounced closure.

c. Estimate of Any Cost Savings to Regulated Industries – This rulemaking is not changing any of the current fee amounts, so there are no cost savings.

VI. Cost Analysis

a. Estimate of Compliance Costs for Regulated Entities – There are no compliance costs imposed by this rule. This rulemaking adds a rule to the Indiana Administrative Code so that the Board's fee structure complies with statutory provisions at [IC 4-22-2-19.6](#).

b. Estimate of Administrative Expenses Imposed by the Rules – There will be no administrative expenses imposed by this rule as the rule incorporates the current practice and fee structure.

c. The fees, fines, and civil penalties analysis required by [IC 4-22-2-19.6](#) – The rule is not creating any new, nor increasing any existing civil penalties. Instead, this rulemaking is adding new rules to ensure the Board's fees comply with new statutory requirements found at [IC 4-22-2-19.6](#).

This application and renewal fees satisfy [IC 4-22-2-19.6](#)(2) as the fee is a based price plus an additional amount based on the number of programs offered by the institution. The specific dollar amount can be reasonably calculated by institutions by multiplying the amount by the number of programs offered plus the base fee. The authorization fee is a set amount satisfying the requirement of [IC 4-22-2-19.6](#)(a).

d. If the implementation costs of the proposed rule are expected to exceed the threshold set in [IC 4-22-2-22.7](#)(c)(6) – The implementation costs of the proposed rule are not expected to exceed the threshold set in [IC 4-22-2-22.7](#)(c)(6).

VII. Sources of Information

To develop this rule, the Board relied on the current fee structure which can be found at <https://www.in.gov/bpe/forms-and-applications/new-institution-authorization/>. Historical data on the amount of application, authorization and renewal fees collected from institutions was provided by Board staff.

VIII. Regulatory Analysis

Given that this rulemaking will not impose any new costs but has the benefit of ensuring the Board complies with [IC 4-22-2-19.6](#), it is the Board's judgment that this rulemaking will have a positive impact on the state and regulated entities.

IX. Contact Information of Staff to Answer Substantive Questions

Ross Miller, Director of State Authorization and Reciprocity
101 W Ohio, Suite 300
Indianapolis, IN 46204
Rmiller@che.in.gov
317-232-1033

Notice of First Public Comment Period with Proposed Rule: [20250122-IR-571250002FNA](#)

Notice of Determination Received: December 19, 2024

Posted: 01/22/2025 by Legislative Services Agency

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BOARD FOR PROPRIETARY EDUCATION

Wednesday, May 7, 2025

DECISION ITEM C-1:

Approve Fee Schedule Proposed Interim Contingency Rule

Staff Recommendation

That the Board for Proprietary Education (BPE) approve the proposed interim contingency rule incorporating BPE's current fee schedule into Indiana Administrative Code Title 571.

Background

The proposed interim rule will incorporate BPE's current fee schedule into the Indiana Administrative Code (IAC), in compliance with IC 4-22-2-19.6, to maintain current administrative operations. Under IC 21-18.5-6-3 and IC 21-18.5-6-12(f), BPE is required to assess an authorization fee and a renewal fee, each with a specified statutory minimum dollar amount. In March 2022, the Board memorialized the current fee schedule through board action with an effective date of May 2022. However, the statutorily required fee structure has not been adopted through formal rulemaking and, consequently, is absent from the Indiana Administrative Code. Continued compliance with the aforementioned statutes and the continuance of current administrative operations necessitate the Board exercise its formal rulemaking authority under IC 21-18.5-6-27 to incorporate a fee structure into the Indiana Administrative Code pursuant to IC 4-22-2-19.6.

On January 22, 2025, BPE formally solicited public comment on incorporating the current fee schedule through rulemaking. The public comment period closed February 21, 2025. A public hearing was held on February 24, 2025. No comments were submitted during the comment period, and no public comments were presented during the public hearing.

The current fee schedule reflected in the rule is: the mandatory application for authorization fee is two thousand five hundred dollars (\$2,500), regardless of physical presence in Indiana, plus three hundred dollars (\$300) per program for initial authorization from an institution with a physical presence or twenty-five dollars (\$25) per program for initial authorization from an institution with no physical presence. Currently, the mandatory annual renewal fee is one thousand dollars (\$1,000), regardless of physical presence in Indiana, plus twenty-five dollars (\$25) per program for institutional authorization renewal, regardless of physical presence in Indiana.

BPE charges fees to cover the cost of processing applications and evaluating institutions at initial application and renewal. This process includes: (1) a review of annual financial statement data; (2) the development of a scorecard summarizing an institution's components of its financial composite score; (3) the latest financial information data, trends, and annual revenues; and (4) the preparation of recommendations for further detailed analysis for institutions that merit further investigation. Institutions appearing on the watch list described in IC 20-19-7 have further detailed analysis, and institutional financial executives are interviewed.

All postsecondary credit-bearing proprietary educational institutions, as defined at IC 21-18.5-2-12, are impacted by this proposed interim rule. This currently totals 104 institutions. However, the number changes annually.

This proposed interim rule will not require any additional expenditures, nor will it collect any additional revenue, as the proposed interim rule is incorporating the current fee structure into the Indiana Administrative Code. This money is deposited into the postsecondary credit bearing proprietary educational institution authorization fund pursuant to IC 21.18.5-6-26 (c).

Supporting Documents

The following documents are in the agenda packet:

- Proposed Interim Rule
- Proposed Interim Rule Regulatory Analysis
- Notice of First Public Comment Period
- Notice of Public Hearing

INTERIM RULE TITLE 571 BOARD FOR PROPRIETARY EDUCATION

BPE FEE SCHEDULE

PURPOSE OF NOTICE

The Board for Proprietary Education (BPE) is soliciting public comment on adding proposed interim rules at [571 IAC 1](#) concerning incorporating BPE's current fee schedule. BPE seeks comment on the affected citations listed and any other provisions of Title 571 that may be affected by this rulemaking.

ADDITIONAL DOCUMENTS

Regulatory Analysis: [20250122-IR-571250002RAA](#)

Notice of Public Hearing: [20250122-IR-571250002PHA](#)

CITATIONS AFFECTED: [571 IAC 1](#)

AUTHORITY: [IC 21-18.5-6-27](#)

OVERVIEW

Basic Purpose and Background

The proposed Interim Rule will incorporate BPE's current fee schedule into the Indiana Administrative Code (IAC), in compliance with [IC 4-22-2-19.6](#), to maintain current administrative operations. The statutory purpose of BPE, as outlined in [IC 21-18.5-6-1](#), is to protect students, educational institutions, the general public, and honest and ethical operators of institutions from dishonest and unethical practices. Before doing business in Indiana, a postsecondary credit bearing proprietary educational institution (institution), as defined at [IC 21-18.5-2-12](#), is required to obtain authorization from BPE. Under [IC 21-18.5-6-3](#) and [IC 21-18.5-6-12\(f\)](#), BPE is required to assess an authorization fee and renewal fee, each with a specified statutory minimum dollar amount.

In March 2022, BPE adopted the current fee schedule through board action with an effective date of May 2022. Currently, the mandatory application for authorization fee is two thousand five hundred dollars (\$2,500), regardless of physical presence in Indiana, plus three hundred dollars (\$300) per program for initial authorization from an institution with a physical presence or twenty-five dollars (\$25) per program for initial authorization from an institution with no physical presence. Currently, the mandatory annual renewal fee is one thousand dollars (\$1,000), regardless of physical presence in Indiana, plus twenty-five dollars (\$25) per program for institutional authorization renewal, regardless of physical presence in Indiana.

BPE charges fees to cover the cost of processing applications and evaluating institutions at initial application and renewal. This process includes: (1) a review of annual financial statement data; (2) the development of a scorecard summarizing an institution's components of its financial composite score; (3) the latest financial information data, trends, and annual revenues; and (4) the preparation of recommendations for further detailed analysis for institutions that merit further investigation. Institutions appearing on the watch list described in [IC 20-19-7](#) have further detailed analysis, and institutional financial executives are interviewed.

The proposed Interim Rule will apply to all institutions operating in Indiana, regardless of physical presence. This rulemaking will not have a fiscal impact on state and local government because the Interim Rule is incorporating the current fee structure into the IAC.

For purposes of [IC 4-22-2-28.1](#), small businesses affected by this rulemaking may contact the Small Business Regulatory Coordinator:

Ross Miller, Director of State Authorization and Reciprocity
Board of Proprietary Education
101 West Ohio Street, Suite 300
Indianapolis, IN 46204
(317) 232-1033
rmiller@che.in.gov

For purposes of [IC 4-22-2-28.1](#), the Small Business Ombudsman designated by [IC 5-28-17-6](#) is:

Small Business Ombudsman
Indiana Economic Development Corporation
One North Capitol, Suite 700
Indianapolis, IN 46204
(317) 650-0126
majaworowski@iedc.in.gov

Resources available to regulated entities through the small business ombudsman include the ombudsman's duties stated in [IC 5-28-17-6](#), specifically [IC 5-28-17-6\(9\)](#), investigating and attempting to resolve ~~BPE~~ **Aggrieved Regarding**

compliance by a small business with a law, Interim Rule , or policy administered by a state agency, either as a party to a proceeding or as a mediator.

REQUEST FOR PUBLIC COMMENT

BPE is soliciting public comment on the proposed Interim Rule . Comments may be submitted in one of the following ways:

(1) By mail or common carrier to the following address:

LSA Document #25-2 BPE Fee Schedule
Ross Miller, Director of State Authorization and Reciprocity
Board of Proprietary Education
101 West Ohio Street, Suite 300
Indianapolis, IN 46204
(317) 232-1033

(2) By email to rmiller@che.in.gov. PLEASE NOTE: Email comments will not be considered part of the official written comment period unless they are sent to the address indicated in this notice.

PROPOSED Interim Rule

SECTION 1. [571 IAC 1](#) IS ADDED TO READ AS FOLLOWS:

ARTICLE 1. BOARD FOR PROPRIETARY EDUCATION

[Interim Rule 1.](#)

Board for Proprietary Education

Interim Rule 1. Board for Proprietary Education

571 IAC 1-1-1 Applicability

Authority: [IC 21-18.5-6-27](#)

Affected: [IC 21-18.5-6-3](#); [IC 21-18.5-6-12](#)

Sec. 1. The definitions in this Interim Rule apply throughout this article. (Board for Proprietary Education; [571 IAC 1-1-1](#))

571 IAC 1-1-2 "Board for proprietary education" defined

Authority: [IC 21-18.5-6-27](#)

Affected: [IC 21-18.5-5-1](#); [IC 21-18.5-6-3](#); [IC 21-18.5-6-12](#)

Sec. 2. "Board for proprietary education" has the meaning set forth in [IC 21-18.5-5-1](#). (Board for Proprietary Education; [571 IAC 1-1-2](#))

571 IAC 1-1-3 "Institution" defined

Authority: [IC 21-18.5-6-27](#)

Affected: [IC 21-18.5-2-12](#); [IC 21-18.5-6-3](#); [IC 21-18.5-6-12](#)

Sec. 3. "Institution" has the meaning set forth in [IC 21-18.5-2-12](#).

(Board for Proprietary Education; [571 IAC 1-1-3](#))

571 IAC 1-1-4 "Institution with a physical presence" defined

Authority: [IC 21-18.5-6-27](#)

Affected: [IC 21-18.5-6-3](#); [IC 21-18.5-6-12](#)

Sec. 4. "Institution with a physical presence" means an institution that currently occupies a physical location for student instruction or an administrative office to facilitate student instruction.

(Board for Proprietary Education; [571 IAC 1-1-4](#))

571 IAC 1-1-5 "Institution with no physical presence" defined

Authority: [IC 21-18.5-6-27](#)

Affected: [IC 21-18.5-6-3](#); [IC 21-18.5-6-12](#)

Sec. 5. "Institution with no physical presence" means an institution that does not currently occupy a physical location for student instruction or an administrative office to facilitate student instruction.

(Board for Proprietary Education; [571 IAC 1-1-5](#))

571 IAC 1-1-6 "Program" defined

Authority: [IC 21-18.5-6-27](#)

Affected: [IC 21-18.5-6-3](#); [IC 21-18.5-6-12](#)

Sec. 6. "Program" means each diploma, certificate, or degree program offered by an institution.

(Board for Proprietary Education; [571 IAC 1-1-6](#))

571 IAC 1-1-7 Application cycle

Authority: [IC 21-18.5-6-27](#)

Affected: [IC 21-18.5-6-3](#); [IC 21-18.5-6-4](#); [IC 21-18.5-6-12](#)

Sec. 7. Institutions seeking initial authorization to operate in Indiana shall submit an application containing the requirements of [IC 21-18.5-6-4](#) to the board for proprietary education with the fee outlined in section 9 of this Interim Rule .

(Board for Proprietary Education; [571 IAC 1-1-7](#))

571 IAC 1-1-8 Renewal cycle

Authority: [IC 21-18.5-6-27](#)

Affected: [IC 21-18.5-6-3](#); [IC 21-18.5-6-4](#); [IC 21-18.5-6-12](#)

Sec. 8. Institutions shall renew authorization annually by submitting an application containing the requirements of [IC 21-18.5-6-4](#) and the renewal fee outlined in section 9 of this Interim Rule .(Board for Proprietary Education; [571 IAC 1-1-8](#))

571 IAC 1-1-9 Fee schedule

Authority: [IC 21-18.5-6-27](#)

Affected: [IC 21-18.5-6-3](#); [IC 21-18.5-6-12](#)

Sec. 9. (a) The fees set by the board for proprietary education are as follows:

- (1) Two thousand five hundred dollars (\$2,500) per application for initial institutional authorization from an institution with a physical presence plus three hundred dollars (\$300) per degree program for initial degree program authorization.
- (2) Two thousand five hundred dollars (\$2,500) per application for initial institutional authorization from an institution with no physical presence plus twenty-five dollars (\$25) per program for initial program authorization.
- (3) One thousand dollars (\$1,000) per application for institutional authorization renewal from an institution with a physical presence plus twenty-five dollars (\$25) per program for program renewal and three hundred dollars (\$300) per degree program for initial degree program authorization.
- (4) One thousand dollars (\$1,000) per application for institutional authorization renewal from an institution with no physical presence plus twenty-five dollars (\$25) per program for program renewal.

(b) Fees must be paid not later than thirty (30) days after the application has been submitted.

(c) Nonpayment will result in the denial of the institutional authorization or renewal and program authorization or renewal.

(d) Failure to pay in accordance with the fee payment schedule, which results in the substantial nonpayment of the fee, may result in the revocation of the institutional authorization or renewal and program authorization or renewal.

(e) Fees are nonrefundable and may not be refunded or applied to a subsequent application or renewal if the:

- (1) institutional authorization or renewal, or program authorization or renewal, is denied or revoked; or
- (2) application is withdrawn after the payment is deposited.

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Interim Rule TITLE 571 BOARD FOR PROPRIETARY EDUCATION

Regulatory Analysis

I. Description of Interim Rule

a. History and Background of the Interim Rule - Prior to doing business in Indiana, a postsecondary credit-bearing proprietary educational institution (institution) is required to obtain authorization from the Indiana Board for Proprietary Education (Board). Pursuant to [IC 21-18-6-3](#), an application for authorization must include a fee of at least one hundred (\$100) dollars for processing the application and evaluating the institution. Currently, the mandatory application for authorization fee is two thousand and five hundred dollars (\$2,500), regardless of physical presence in Indiana, plus three hundred dollars (\$300) per program for initial authorization from an institution with a physical presence or plus twenty-five dollars (\$25) per program for initial authorization from an institution with no physical presence. Further, an institution can annually renew their authorization by continuing to meet the requirements of [IC 21-18.5-6](#) and submitting a fee of at least twenty-five dollars (\$25) pursuant to [IC 21-19.5-6-12\(f\)](#). Currently, the mandatory annual renewal fee is one thousand dollars (\$1,000), regardless of physical presence in Indiana plus twenty-five dollars (\$25) per program for renewal institutional authorization, regardless of physical presence in Indiana.

The statutory requirement to submit an authorization fee predates the creation of the Board in 2012. The Commission on Proprietary Education (COPE) oversaw the authorization of institutions prior to 2012. The fees were established with the creation of the Indiana Commission on Proprietary Education in 1971. The fees were raised by the Commissioners of the COPE in 2011. House Enrolled Act 1270 (2012) simultaneously abolished COPE and established the Board. Through recodification, the Board inherited COPE's mandatory application and annual review fees and their corresponding fee minimum dollar amounts. In March 2022, the Board memorialized the current fee schedule through board action with an effective date of May 2022. However, the statutorily required fee structure has not been adopted through formal rulemaking and, consequently, is absent from Indiana Administrative Code. Continued compliance of the aforementioned statutes and the continuance of current administrative operations necessitate the Board exercise its formal rulemaking authority under [IC 21-18.5-6-27](#) to incorporate a fee structure into Indiana Administrative Code pursuant to [IC 4-22-2-19.6](#).

b. Scope of the Interim Rule - This interim rule will apply to all postsecondary credit-bearing proprietary educational institution operating in Indiana, regardless of physical presence.

c. Statement of Need - The statutory purpose of the Board, as outlined in [IC 21-18.5-6-1](#), is to protect students, educational institutions, the general public, and honest and ethical operators of institutions from dishonest and unethical practices. The Board charges fees to cover the cost of processing applications and evaluating the institutions at initial application and renewal. Volatility in the proprietary education sector has required greater scrutiny of these institutions, necessitating the Board to increase fees in 2022.

In response to many high-profile closures of institutions that impacted thousands of Hoosier students, the Board has instituted a more rigorous evaluation process which focuses on the financial health of the institutions who operate in Indiana. This process includes: a review of annual financial statement data; the development of a

scorecard summarizing the institution's components of their financial composite score, the latest financial information data, trends, and annual revenues; and, the preparation of recommendations for further detailed analysis for institutions which merit further investigation. Institutions appearing on the "Watch List" have further detailed analysis and institutional financial executives are interviewed.

d. Statutory Authority for the Proposed Interim Rule - The authority for Board to charge application and renewal fees is outlined in [IC 21-18.5-6-3](#) (Application for Authorization Fee) and [IC 21-18.5-6-12\(f\)](#) (Authorization Renewal Fee). The Board's general rulemaking authority may be found at [IC 21-18.5-6-27](#).

e. Fees, Fines, and Civil Penalties - This interim rule will incorporate the Board's current fee structure into the Indiana Administrative Code. Adding this policy to the Indiana Administrative Code complies with [IC 4-22-2-19.6](#), and an explanation of how these fees are assessed is included in the Cost Analysis section.

II. Fiscal Impact Analysis

a. Anticipated Effective Date of the Interim Rule - Early/mid 2025

b. Estimated Fiscal Impact on State and Local Government - This rulemaking will not have a fiscal impact on state and local government because the interim rule is incorporating the current fee structure into the Indiana Administrative Code.

c. Sources of Expenditures or Revenues Affected by the Rule - This rulemaking will not require any additional expenditures, nor will it collect any additional revenue, as the rule is incorporating the current fee structure into the Indiana Administrative Code. The annual average of the total fees collected between FY 2019 and FY 2023 is \$503,729. This money is deposited into the postsecondary credit bearing proprietary educational institution authorization fund pursuant to [IC 21.18.5-6-26](#) (c).

III. Impacted Parties

All postsecondary credit-bearing proprietary educational institutions, as defined at [IC 21-18.5-2-12](#), are impacted by this rule. This currently totals 104 institutions. However, the number changes annually.

IV. Changes in Proposed Interim Rule

This rulemaking will not make any substantive changes to current practice or current fees. This rulemaking's sole purpose is to ensure the agency's compliance with [IC 4-22-2-19.6](#) by incorporating the Board's current fee structure into the Indiana Administrative Code. This specific rulemaking incorporates the fee structure as it relates to application, authorization and renewal fees.

570 IAC 2-1-1	Adds applicability section stating the definitions in the rule apply throughout the article.
570 IAC 2-1-2	Defines the board for proprietary education. The definition references Indiana Code for simplicity and consistency between the rule and law.
570 IAC 2-1-3	Defines institution. The definition references Indiana Code for simplicity and consistency between the rule and law.
570 IAC 2-1-4	Defines institution with a physical presence. This definition is needed for clarity when looking at the fee schedule to differentiate the types of institutions.
570 IAC 2-1-5	Defines institution with no physical presence. This definition is needed for clarity and to differentiate from the term above.
570 IAC 2-1-6	Defines program. This definition further clarifies terms used in the fee schedule so impacted parties will understand what each fee is referencing.
570 IAC 2-1-7	Establishes the application cycle and requires the payment of the applicable fee in the fee schedule.
570 IAC 2-1-8	Establishes the renewal cycle and requires the payment of the applicable fee in the fee schedule.
570 IAC 2-1-9	Establishes the fee schedule. This schedule is put into rule to comply with HEA 1623 (2023), and for clarity for impacted parties.

V. Benefit Analysis

a. Estimate of Primary and Direct Benefits of the Rule - The proposed rule ensures the consistent assessment of fees for applications and renewals by institutions for programs with a physical presence in the state and for those programs with no physical presence in the state. Further, this rulemaking is ensuring the Board's compliance with [IC 4-22-2-19.6](#).

b. Estimate of Secondary or Indirect Benefits of the Rule - The secondary, or indirect benefit of this rule, is that compliance with [IC 4-22-2-19.6](#) will allow the Board to continue collecting fees in the same methods that has been used for decades. This rule ensures the Board has the resources to ensure institutions operating in Indiana are monitored for fiscal stability with more warning of possible sudden unannounced closure.

c. Estimate of Any Cost Savings to Regulated Industries - This rulemaking is not changing any of the current fee amounts, so there are no cost savings.

VI. Cost Analysis

a. Estimate of Compliance Costs for Regulated Entities - There are no compliance costs imposed by this rule. This rulemaking adds a rule to the Indiana Administrative Code so that the Board's fee structure complies with statutory provisions at [IC 4-22-2-19.6](#).

b. Estimate of Administrative Expenses Imposed by the Interim Rule - There will be no administrative expenses imposed by this rule as the rule incorporates the current practice and fee structure.

c. The fees, fines, and civil penalties analysis required by [IC 4-22-2-19.6](#) - The rule is not creating any new, nor increasing any existing civil penalties. Instead, this rulemaking is adding new Interim Rule to ensure the Board's fees comply with new statutory requirements found at [IC 4-22-2-19.6](#).

This application and renewal fees satisfy [IC 4-22-2-19.6\(2\)](#) as the fee is a based price plus an additional amount based on the number of programs offered by the institution. The specific dollar amount can be reasonably calculated by institutions by multiplying the amount by the number of programs offered plus the base fee. The authorization fee is a set amount satisfying the requirement of [IC 4-22-2-19.6\(a\)](#).

d. If the implementation costs of the proposed rule are expected to exceed the threshold set in [IC 4-22-2-22.7\(c\)\(6\)](#) - The implementation costs of the proposed rule are not expected to exceed the threshold set in [IC 4-22-2-22.7\(c\)\(6\)](#).

VII. Sources of Information

To develop this rule, the Board relied on the current fee structure which can be found at <https://www.in.gov/bpe/forms-and-applications/new-institution-authorization/>. Historical data on the amount of application, authorization and renewal fees collected from institutions was provided by Board staff.

VIII. Regulatory Analysis

Given that this rulemaking will not impose any new costs but has the benefit of ensuring the Board complies with [IC 4-22-2-19.6](#), it is the Board's judgment that this rulemaking will have a positive impact on the state and regulated entities.

IX. Contact Information of Staff to Answer Substantive Questions

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