
Docket Item:

Administrative Rule Summary of Permanent Chapter 715 relating to private Career School and License Fees; Fact Page Disclosure Requirement.

Summary:

- | | |
|---|---|
| <input type="checkbox"/> New Rule | <input type="checkbox"/> Temporary |
| <input checked="" type="checkbox"/> Amend Existing Rule | <input checked="" type="checkbox"/> Permanent |
| <input type="checkbox"/> Repeal Rule | |

Prompted by:

- | |
|--|
| <input type="checkbox"/> State law changes |
| <input type="checkbox"/> Federal law changes |
| <input checked="" type="checkbox"/> Other |

The amendments to 715-045-0001 (24) propose to increase the maximum amount a Private Career School can charge in an enrollment fee from \$150 to a maximum of \$250. This allows schools that carry higher costs of equipment and supplies (e.g. manufacturing and design) to secure an enrollment commitment from students commensurate to the costs of preparing for their start.

The amendments to 715-045-0007 (1) (c) and (2), propose to increase existing school licensing fees to recover costs associated with oversight of private career schools and providing services to students, licensees, and career school faculty and representatives. The proposed increase is that of 30% in the traditional income ranges and sets a progressive schedule for those with tuition income over \$1,000,000 at increments of \$276 for every \$250,000 in tuition income above the base range of up to one million. The proposed increase under sub (2) sets higher fees for new school applications, which require a great deal of technical assistance to applicants, involving intensive reviews and due diligence by staff, and coordination with other licensing boards, accrediting bodies and/or experts. Existing fees are not sufficient to cover costs and the associated tasks take time and resources away from oversight of existing schools and student/consumer protection needs. The proposed change in sub (2) is from \$1,425 for in-state applications to \$4,000, and from \$3,125 for out-of-state applicants to \$6,000.

The amendments to 715-045-0033, Standards for Advertising, propose to add a fact page

disclosure requirement for private career schools to serve as an informational tool for students and a reinforcement of truth in advertising. A school licensed to offer instruction as a private career school for one or more programs shall provide students, prior to enrollment, a copy of a basic program and school fact page for each program for which a certificate or diploma is offered.

The fee increases proposed in the amendments to 715-045-0007 were reviewed and refined through the guidance of the Private Career School (PCS) Advisory Committee, which advises the HECC on policies and regulations regarding career schools and functions as the commission's rules advisory committee for rules regarding career schools. Seven of the eleven committee members represent career school owners and directors, and the meetings are regularly attended by school owners and representatives, as well as representatives of related stakeholder groups, such as the Association of Oregon Cosmetology Colleges and the Northwest Career Colleges Federation. The proposed rule amendments were the culmination of three quarterly sessions (March, June, and September 2016) in which committee members reviewed options and scenarios and provided explicit feedback to the HECC.

Docket Material:

Hearing Officer's Report and Rule Text attached in Appendices A and B, respectively.

Staff Recommendation:

Staff recommends approval of the permanent administrative rule amendments to 715-045-0001, 715-045-0007, and 715-045-0033 relating to the maximum student enrollment fees, school licensee fees, and fact page disclosure requirement as presented in the docket material.

Appendix A:

Hearing Officer's Report



Oregon

Kate Brown, Governor

Higher Education Coordinating Commission
Office of the Executive Director, Policy & Communications
255 Capitol Street NE, Third Floor
Salem, OR 97310
www.oregon.gov/HigherEd

November 21, 2016

To: Neil Bryant, Chair
Ben Cannon, Executive Director

From: Kelly Dickinson, HECC Rules Coordinator

RE: Presiding Officer's Report on Rulemaking Hearing

Date of Rulemaking Hearing: November 16, 2016

Location of Rulemaking Hearing: HECC Offices, Public Service Building
255 Capitol Street NE, Salem, OR 97301

Summary of Proposed Rules:

Under OAR 715-045-0001 (24), the Higher Education Coordinating Commission (HECC) is proposing to increase the maximum amount a Private Career School can charge in an enrollment fee from \$150 to a maximum of \$250. This allows schools that carry higher costs of equipment and supplies (ex. manufacturing and design) to secure an enrollment commitment from students commensurate to the costs of preparing for their start.

Under OAR 715-045-0007 (1) (c) and (2), the HECC is proposing to increase existing school licensing fees to recover costs associated with oversight of Private Career Schools and providing services to students, licensees, career school faculty and representatives. The proposed increase is that of 30% in the traditional income ranges and sets a progressive schedule for those with tuition income over \$1,000,000 at increments of \$276 for every \$250,000 in tuition income above the base range of up to one million. The proposed increase under sub (2) sets higher fees for new school applications, which require a great deal of technical assistance for intensive application reviews and due diligence, and coordination with other licensing boards, accrediting bodies and/or experts. Existing fees are not sufficient to cover costs, and the associated tasks take time and resources away from oversight of existing schools and student/consumer protection needs. The proposed change in sub (2) is from \$1,425 for in-state applications to \$4,000, and from \$3,125 for out-of-state applicants to \$6,000.

Under OAR 715-045-0033 - Standards for Advertising - the HECC is proposing to add a fact page disclosure requirement for Private Career Schools to serve as an informational tool for students and a reinforcement of truth in advertising. A school licensed to offer instruction as a Private Career School for one or more programs shall provide students, prior to enrollment, a



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copy of a basic program and school fact page for each program for which a certificate or diploma is offered.

The rulemaking hearing on the proposed rules convened at 1:00pm. Opening statements regarding instructions for making comments on the proposed rules and a brief summary of the proposed rules were read into the record.

Oral Comments:

The hearing adjourned at 2:00pm. No one was in attendance at the hearing to submit oral or written comments. Three individuals submitted written comment before the close of the public comment period and the agency responses are included in the hearing officer's report.



Oregon

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255 Capitol Street NE, Third Floor
Salem, OR 97310
www.oregon.gov/HigherEd

Mary Nielsen
7894 SW Hansen Lane
Tigard, OR 97224

October 16, 2016

Rules Coordinator, Kelly Dickinson
Higher Education Coordinating Commission
255 Capitol Street NE
Salem, OR 97301

Dear Kelly Dickinson, Rules Coordinator,

I am writing to express **conditional** support for the HECC proposal to increase the fees for new Private Career School applications. The rationale for this increase is that the fees would cover the expenses incurred at processing the new school applications as current fees do not cover the expenses associated with processing the new school application.

HECC is requesting an application fee increase of **250%**. If the new school application fees are approved, I request a deadline for the processing of that application. I wish to open a new private career school, a small esthetic school with class sizes of no more than 6 students. I submitted my application for this school in April 2016. HECC cashed my application check and my tuition trust fund check. I've invested thousands of dollars in lease space, building improvements, equipment, and staffing. It has been 6 months and my application is *still* being processed. I truly have no idea when my application will be approved and what steps are ahead of me in the process.

If my small school application is taking beyond 6 months for approval, I cannot imagine the timeline for a larger school with more programs and more students to get its approval. I am not a large corporation with unlimited funds. I do not have investors. I am a small business with a vision to improve the lives of women in Oregon by offering a quality education so they can have a career in esthetics. I believe the system is unintentionally harming business owners, educators and students in the state.

I recognize that the Private Career School division is understaffed and underfunded. If such an enormous application fee increase would improve the processing of applications, then I wholeheartedly endorse it. But please put deadlines in place for the application process.

Sincerely,

Mary Nielsen
Executive Director, Spectrum Advanced Aesthetics Institute



Oregon

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www.oregon.gov/HigherEd



NORTHWEST
CAREER COLLEGES
— FEDERATION —

November 22, 2016

Rules Coordinator (sent via email to kelly.dickinson@state.or.us)
Higher Education Coordinating Commission
255 Capitol Street NE
Salem, OR 97301

Thank you for the opportunity to comment on proposed rule changes identified below. The Northwest Career Colleges Federation (NWCCF) will comment on:

OAR 715-040-0033 – Standards for Advertising
OAR 715-045-007 – Fees
OAR 715-045-001 – Enrollment Fees

OAR 715-045-0033 - Standards for Advertising

NWCCF supports the proposed rule to require distributing to a prospective student prior to enrolling a Fact Sheet upon which consumer disclosures are made clear and concisely summarized. While accredited schools generally provide this information to prospective students, this summary, filed with the HECC, brings consistency in disclosures to all schools licensed by the agency.

OAR 715-045-007 (1) (c) and (2) – Increasing Licensing Fees

The proposed changes bring to closure a long-history of discussion to modify the fee structure for licensed schools; no changes to the fee structure have been made for years and the NWCCF has been involved in such discussions since 2007. The changes also reflect the work of the private school advisory committee, a peer committee that meets regularly and provides HECC staff input on licensing issues.

The increases reflect rebalancing remuneration for staff time to assist start-up schools with establishing appropriate consumer protection requirements. The proposed changes also incorporate a fee structure that addresses school growth incrementally, a change that is the result of much discussion about fairness to tuition growth.

Finally, it is our understanding the changes are intended to help build resources to bring career colleges' data into the analysis of state outcomes, including our sector in the assessment of credentialing and meeting the state's 40/40/20 goals.

For these reasons, the NWCCF supports the proposed fee increases.

Under OAR 715-045-0001 (24) – Increasing Enrollment Fee

The NWCCF supports the proposed rule modification to increase the maximum amount a private career school can charge as an enrollment fee from \$150 to a maximum of \$250.

Gena Wikstrom
Northwest Career Colleges Federation
8300 28th Court NE, Suite 400 | Lacey, WA 98516
360.292.4798
gena@nwcareercolleges.org



Oregon

Kate Brown, Governor

Higher Education Coordinating Commission
Office of the Executive Director, Policy & Communications
255 Capitol Street NE, Third Floor
Salem, OR 97310
www.oregon.gov/HigherEd

DICKINSON Kelly

From: Ray Motameni <ray@dosha.org>
Sent: Wednesday, November 23, 2016 9:05 AM
To: kelly.dickinson@state.or.us
Subject: Notice of Public Rule Hearing Under OAR 715-045-0001 (24)

Categories: RULES

Hello Kelly –

Thank you for taking the time to read this. I have read the proposed rule and agree with changes except in one area, 715-045-0007 License Fees (c) for In-State Schools. One assumption would be that schools with more enrollment will have more challenges for the sector to have to deal with. The second assumption is that a school with larger student body could have a larger effect if they go out of business. Regarding assumption #1, large or small, if there are processes or problems that come from a specific school, then they should be responsible for the additional expense and not the collective. This punishes schools for good behavior. I believe the state would have data of where the work is focused and they could review that metric. Regarding assumption #2, in this scenario I would refer back to the Tuition Protection Fund (TPF) that private career schools pay into as well.

If you have any questions or need clarification, please do not hesitate to contact me via email or cellular .

Kind Regards,
Ray Motameni
Aveda Institute Portland



Oregon

Kate Brown, Governor

Higher Education Coordinating Commission

Office of the Executive Director, Policy & Communications

255 Capitol Street NE, Third Floor

Salem, OR 97310

www.oregon.gov/HigherEd

Agency Response:

The comments and formal letter from the Northwest Career Colleges (NWCC) Federation is very much in line with the guidance and feedback received from the Private Career School (PCS) Advisory Committee. The letter speaks volumes in many ways for the hard work that HECC staff have done to engage stakeholders, reflect on the feedback from the various advisory committee sessions, fine-tune and, ultimately, present the recommended changes.

The fee increase in particular is, and has been, of high importance to all and, given the strong support of the NWCC Federation (which traditionally opposed increases when the PCS unit was under the Oregon Department of Education), reflects the coordinating, guiding, fair but strong regulatory framework, and the relentless focus on improvements for students that the HECC has brought to this sector. The validation and support from the largest advocacy group (NWCC Federation) speaks volumes given the significant change in fees and the fee structure.

Appendix B:

Rule Text

715-045-0001

Definitions

The following definitions apply to OAR 715-045-0001 through 715-045-0210, unless otherwise indicated by the context:

(1) "Ability to benefit" is a term used in reference to federal Title IV federal student aid regulations and the methods of determining whether a student has the requisite academic skills necessary to successfully complete a program of study, to be used only for the purposes of establishing eligibility for Title IV funding.

(2) "Addendum" used in reference to a school's catalog means a separate document that contains revisions of policies or other information appearing in the school catalog. Information listed in an addendum to a catalog should be incorporated into the catalog at the next printing of the catalog. An addendum does not include errata, but errata can appear on the same page as addendum information, if properly labeled.

(3) "Advertising" means any form of public notice used in recruiting and promoting activities, however disseminated, including but not limited to print media, catalogs, and other school publications, signs, mailing pieces, radio or television ads, audiovisual material, and the internet on behalf of a licensed school.

(4) "Agent" has the meaning given in ORS 345.010(1).

(5) "Application for admission" or "admission application" means a form, separate from the enrollment agreement, which is submitted by an applicant prior to the signing of the enrollment agreement and evaluated by the school for admission purposes. Schools may charge a non-refundable application fee; however, the fee must be clearly identified on the application.

(6) "Application fee," when used in reference to a school's admissions process, or "admission fee" means the initial fee charged by a school to cover those expenses incurred by the school in establishing an admissions file for a prospective student. The application or admission fee is not inclusive of and does not preclude other fees necessary to assess the suitability of a student for the intended program, or that student's appropriate level of placement in the program based on prior training, education, or experience. At the school's option, the application fee may be non-refundable. The school shall not charge an application fee of more than \$50.00.

(7) "Approved" means accepted by the Higher Education Coordinating Commission or by the commission's executive director in matters relating to school licensing requirements.

(8) "Assessment" or "Performance Assessment" when used in reference to the instructional program, as outlined in OAR 715-045-0009, means a performance-based evaluation of an applicant's progress towards mastery of the stated competencies of the instructional program.

(9) "At-risk" means the school demonstrates a pattern or history of one or more of the following conditions that the Executive Director of the Higher Education Coordinating Commission determines, may cause potential serious problems for the continued successful and profitable operation of the organization:

- (a) Failure to meet the standards of financial responsibility or reporting;
 - (b) Misrepresentation;
 - (c) Frequent substantiated complaints filed with the Higher Education Coordinating Commission;
 - (d) A decrease in enrollment from the previous reporting period of 50 percent or more or 25 students, whichever is greater;
 - (e) Staff turnover from the previous reporting period of 50 percent or more or three staff, whichever is greater; and
 - (f) If conditions listed in paragraphs (d) and (e) of this subsection can be shown to be caused by unusual circumstance or reason the school may request an exemption from an "at risk" designation. Exemption request will be evaluated by the Executive Director of the Higher Education Coordinating Commission.
- (10) "Auxiliary facility" means a facility that does not use or list its address as a school location and:
- (a) Absorbs a temporary overload that the principal facility cannot accommodate; or
 - (b) Provides a specialized training facility away from the principal school location; or
 - (c) Provides training under contract that is not open to general enrollment; or
 - (d) Is a site approved by the Higher Education Coordinating Commission for teaching a short-term course that is taught by registered teachers from the principal facility.
- (11) "Barbering" has the meaning given in ORS 690.005.
- (12) "Bona fide organization or group" means any body or entity that is nationally chartered or recognized by a national or state educational/occupational policy board that has operated or functioned in good faith without fraud or deceit for at least 25 years.
- (13) "Capacity to complete" means that a student has the cognitive or physical capacity to complete a program of study, with or without reasonable accommodations, and become employment eligible in the specific field of training for which they are enrolling. A school has an obligation to determine whether applicants have capacity to complete during the admissions process, and to assess this capacity when information is obtained or received by the school through any means which suggests the student may not have capacity to complete the program. Any information obtained shall be treated as confidential and kept in a secure manner. Capacity to complete must be assessed before enrollment is completed; however, if information is received by the school after instruction has commenced that cognitive or physical circumstances exist that may impede a student's satisfactory progress through their program of study, capacity to complete must be assessed immediately after receipt of such information, and appropriate adjustments, accommodations, or tuition refunds made.
- (14) "Chairperson" means the person who is responsible for overseeing the business of the advisory committee.
- (15) "Class" means a scheduled meeting of persons for instructional purposes.

(16) "Clinic lab" or "clinic floor" means a place where students perform assigned instructional tasks identified in the approved curriculum on models or the general public.

(17) "Completion" means the student has satisfactorily finished all the requirements of the program in which he or she is enrolled, has fulfilled the terms of the enrollment agreement, and has been awarded an appropriate certificate, diploma, or completion document.

(18) "Continuing education" means the enrollment in and completion of ongoing instruction outside the normal teaching schedule, which upgrades a teacher's skills and knowledge with the intent of making the teacher more proficient and current in subject matter taught, instructional methodology, or other skills and knowledge relevant to the teaching of adult learners.

(19) "Course" means an aggregation of classes to achieve a completed set of competencies.

(20) "Discount" means a specified amount of money to be deducted at the time of enrollment from the costs associated with an instructional program, according to a specified set of criteria. The criteria and details of any discounts offered by a school will be given to all persons eligible to receive the discount, and documented and maintained as part of a school's approved advertising. A discount that is granted must be listed as a discount on the enrollment agreement, and is not revocable.

(21) "Discrimination" means any act that unreasonably differentiates treatment, intended or unintended, or any act that is fair in form but discriminatory in operation, either of which is based on age, disability, national origin, race, color, marital status, religion, sex or sexual orientation, or any other protected class.

(22) "Distance learning instruction" means education provided by written correspondence or any electronic medium for students enrolled in a private career school in pursuit of an identified occupational objective, but not attending classes at an approved school site or training establishment.

(23) "Enrollment" means a student has agreed to the purchase of a course or program of instruction offered by a school and has signed an enrollment agreement, however named, that commits both the student and the school to a legal and binding obligation. Instruction in a program or course may not begin without a signed enrollment agreement in place.

(24) "Enrollment fee" means the fee a school charges that covers those expenses incurred by a school in processing the student enrollment agreement and establishing a student records system. The enrollment fee is limited to ~~a maximum amount of 15% of the total tuition cost, or \$150~~\$250, ~~whichever is less,~~ and is identified as an enrollment fee on the student enrollment agreement.

(25) "Errata" in reference to a school's catalog means a listing of errors appearing in a school's published catalog and the corrections of those errors. Errors do not include revisions to policies or other information in the catalog. Errata may be published only via electronic means, at the discretion of the school, in which case a reference in the school catalog must be included that specifies the URL or website where errata may be found. Errors included on the errata list should be corrected in the next printing of the school's catalog.

(26) "Esthetics" has the meaning given in ORS 690.005.

(27) "Evaluation fee" means any fee, however named, covering those expenses incurred by a school in evaluating a prospective student's prior training, education, experience, or other indicators of beginning level of mastery in technical program competencies before enrolling in a program of instruction at the school, or for other uses of an assessment for competency evaluation (e.g., licensing reciprocity) approved by the Executive Director of the Higher Education Coordinating Commission. The evaluation fee shall not exceed the reasonable costs incurred by the school in administering and scoring the assessment, preparing official documentation, providing appropriate feedback to the applicant, and designing a program of study based on the assessment results (if applicable).

(28) "Executive Director" means the Executive Director of the Higher Education Coordinating Commission, or the executive director's designee.

(29) "Fiscal reporting period" means the period of time for which the school provides financial information required by the Higher Education Coordinating Commission. The fiscal reporting period is identified by the school owner in the initial license application and must remain consistent unless a written request for a change is approved by the Superintendent. The fiscal reporting period may be the calendar year or another 12-month time period.

(30) "Fund" means the private career school Tuition Protection Fund (TPF).

(31) "Grant," as used in reference to tuition assistance, means actual funds made available through any source to prospective or enrolled students through an application process whereby applicants must meet predetermined criteria and may or may not be required to maintain a certain status or performance criteria in order to retain the award. For in-house grants, funds in the amount of the full amount of the award for grants awarded on an annual basis will be deposited by the school in an account separate from the school's operating funds at the time of the award, or at the beginning of each new year of an on-going award, and drawn out by the school as the tuition is earned. For third party grants, all monies received by the school on behalf of the student will be deposited into an account separate from the school's operating funds and drawn out as the tuition is earned. In-house grants are revocable only in the amount that has not been earned by the student, according to the terms of the grant award, which are to be articulated to the recipient of the award and agreed upon by signature through an official award letter. The signed award letter will be kept in the student's file, and a copy given to the student. Any grant awarded a student from any source will be documented on the enrollment agreement as a grant at the time of the award. If the award is made after the initial enrollment agreement has been signed, a rider to that agreement must be executed and attached.

(32) "Gross tuition income" means all direct tuition charges from programs for which the school is licensed under OAR chapter 715, division 45, including any laboratory fee. Total gross tuition income does not include:

(a) Tuition refund;

(b) Enrollment and application fees; or

(c) Costs for books, supplies, tools, and equipment purchased by students.

(33) "Hair design" has the meaning given in ORS 690.005.

(34) "In default" is defined in ORS 345.115(5) as "when a course or program is discontinued or canceled or the school closes prior to completion of contracted services."

(35) "Incentive," as used in reference to tuition assistance, means a monetary reward or inducement offered by a school for the purpose of encouraging or motivating a student to perform a specific action, such as completing or course or instructional program within a certain period of time. Any terms or conditions that apply to an incentive must be published by the school, and maintained as part of the school's approved advertising. Students who are working towards an incentive award will have in their file a copy of the terms and conditions of the incentive along with a record of the date each condition is satisfied. Once all conditions have been satisfied the incentive is considered earned and cannot be cancelled or revoked. A rider to the enrollment agreement must be prepared at the time of award detailing the application of the incentive to the student's outstanding financial obligation.

(36) "License" means a license to operate a private career school.

(37) "Nail technology" has the meaning given in ORS 690.005.

(38) "On-site review" means a visit to the school by authorized staff from the Higher Education Coordinating Commission who may review the facilities, classrooms, and school records; talk with students, staff, and administrators; and determine whether the school is in compliance with Oregon law.

(39) "Operating" or "operation" means any form of marketing, advertising, instruction, recruitment, or any other activity regulated under ORS Chapter 345 and OAR chapter 715, division 45.

(40) "Placement" means the student has been employed in the occupation for which trained.

(41) "Post-secondary" for the purposes of recognizing private career schools in Oregon as institutions of post-secondary study means any school licensed under ORS Chapter 345 that:

(a) Admits as regular students, or maintains as a majority of its enrollment, those students who have earned a recognized high school diploma, the equivalent of a recognized high school diploma, or a GED certificate, or who are beyond the age of compulsory education in the State of Oregon, and

(b) Is authorized by the Higher Education Coordinating Commission to offer one or more educational programs beyond secondary education.

(42) "Probation" means that a school has been officially notified by the Executive Director of the Higher Education Coordinating Commission that it has deficiencies that must be corrected within a specified time.

(43) "Program" means an aggregation of courses to meet an identified occupational objective.

(44) "Program advisory committee" means a representative group appointed by the school, which advises the school ownership and administration.

(45) "Program improvement plan" or "school improvement plan" means a written plan that describes how the school will resolve or comply with violations of state rule or regulation assessed, or correct any deficiencies identified, by the Executive Director of the Higher Education Coordinating Commission, and usually includes interim outcome measures to track progress towards the overall improvement goals.

(46) "Pro rata" means in accordance with a fixed proportion.

(47) "Published Class Schedule" (for the purpose of calculating tuition charges) means the period of time between the commencement of classes and the student's last date of attendance as offered by the school and scheduled by the student.

(48) "Recruiting" means personally soliciting or attracting a person or persons by a school or its agent(s) with the intention of actively pursuing enrollment in the school. Recruiting does not include leaving materials at or near an office or other site for a person to pick up of his or her own accord or handing a brochure or other materials to a person.

(49) "Registration" means the process by which directors, agents, or teachers either request registration by the Superintendent to teach at the school or notify the Superintendent of their appointment of an agent to represent the school.

(50) "Reporting period" means the period of time that corresponds with the school's fiscal year on which the school bases all individual program student completion and placement reporting that must be submitted to the Higher Education Coordinating Commission. The school's fiscal year may be the calendar year or another 12-month time period.

(51) "Resident instruction" means education provided at an approved school site or training establishment for students enrolled in and attending classes at the school facility in pursuit of an identified occupational objective.

(52) "Revocation" as referenced in OAR 715-045-0012 means that the Executive Director of the Higher Education Coordinating Commission has notified an employee of a licensed private career school that because of violations of 715-045-0012(9)(a)–(c) the commission's approval of the employee's registration is permanently withdrawn. When notice of revocation is issued, the employee shall be notified and upon written request, shall be granted a contested case hearing under the Administrative Procedures Act, ORS Chapter 183.

(53) "Revoke" means the Higher Education Coordinating Commission terminates the school license. When the license is revoked, the school is not authorized to continue operating. Probation or suspension may, but is not required to, precede revocation.

(54) "Rider" means an attachment, schedule, amendment, or other writing that is added to the enrollment agreement that alters the terms, conditions, or financial obligation of the original instrument without altering the instrument in its entirety. The contents of a rider to the enrollment agreement are understood to be incorporated into the enrollment agreement.

(55) "Scholarship" means actual funds, from any source, made available to prospective or enrolled students through an application process whereby applicants must meet predetermined criteria and may or may not be required to maintain a certain status in order to retain the award. For in-house scholarships, funds in the amount of the full amount of the award for scholarships awarded on an annual basis will be deposited by the school in an account separate from the school's operating funds at the time of the award, or at the beginning of each new year of an on-going award, and drawn out by the school as the tuition is earned. For third party scholarships, all monies received by the school on behalf of the student will be deposited into an account separate from the school's operating funds and drawn out as the tuition is earned. In-house scholarships are revocable according to the terms of the scholarship award, which are to be articulated to the recipient of the award and agreed upon by

signature through an official award letter. The signed award letter will be kept in the student's file, and a copy given to the student. Any scholarship awarded a student from any source will be documented on the enrollment agreement as a scholarship at the time of the award. If the award is made after the initial enrollment agreement has been signed, a rider to that agreement must be executed and attached.

(56) "Self-directed instruction" means a course of instruction or an instructional program in which the instructional materials and curriculum are sufficient in design and scope to prepare a student for the program's occupational objectives without the provision of direct instruction. These objectives can be achieved without regular or scheduled interaction either by mail, telephone, or in person between the student and faculty employed by the school and do not require the school to measure attendance or lesson completion for satisfactory progress.

(57) "School" or "career school" or "private career school" has the meaning given in ORS 345.010(4).

(58) "Short term course" means a course no longer than 16 clock hours in duration.

(59) "State advisory committee" means a representative, statutory advisory committee appointed by the Superintendent of Public Instruction, consisting of members who shall serve for terms of three years ending June 30.

(60) "Structured work experience" or "externship" means a worksite educational activity that correlates the value of classroom training and on-site job performance, is an integral part of the student's training plan, and is supervised/evaluated by appropriate school personnel.

(61) "Supplement" in reference to a school's catalog means a document that is separate from the catalog and which contains new information not appearing in the catalog, or information that is related, but in addition, to information already appearing in the catalog. Information contained in a catalog supplement may or may not need to be incorporated into the catalog at the next regular revision and printing of the catalog.

(62) "Suspension" as referenced in OAR 715-045-0012 means that the Executive Director of the Higher Education Coordinating Commission has notified an employee of a licensed private career school that because of violations of 715-045-0012(9)(a)–(c) the commission's approval of the employee's registration is temporarily withdrawn. When notice of suspension is issued, the employee shall be notified and upon written request, shall be granted a contested case hearing under the Administrative Procedures Act, ORS Chapter 183.

(63) "Suspend" means the Executive Director of the Higher Education Coordinating Commission has notified a school that because of deficiencies, it may not advertise, recruit, enroll students, or begin instruction of new students, but may remain open to complete training of currently enrolled students. Probation may, but is not required to precede suspension.

(64) "Teachout" means a defaulting school or the Higher Education Coordinating Commission makes provisions for students enrolled at the time of the default to complete a comparable program at no additional cost beyond the original enrollment agreement with the defaulting school. Teachout arrangements, if made by the defaulting school, shall be approved in advance by the commission's executive director and, if ongoing, approved annually by the executive director.

(65) "Transcript" means a written record that shall include, but is not limited to, name and address of student, first and last date of attendance, all programs or courses undertaken, grades achieved, whether the courses or programs were successfully completed, and signature of a school official.

(66) "Tuition" means money or other compensation paid or credited to a school by a student or on behalf of a student that is applied to the costs of instruction and training actually received or to be received by the student.

(67) "Tuition aid" or "Tuition assistance" means any award of monetary value, including, but not limited, to scholarships, grants, discounts, or incentives offered by a career school or by a third party, that is received by a student who will enroll in, or is enrolled in, a specific program of instruction, and is:

(a) Provided directly to the student for the purposes of covering, in full or in part, the costs of tuition or other allowed educational expenses incurred by the student, or

(b) Paid or credited to a career school on behalf of the student by the school or a third party for the purpose of covering, in full or in part, the costs of tuition or other allowed educational expenses incurred by the student.

(68) "Withdrawal fee" means any fee, however named, covering those expenses incurred by a school in processing student paperwork relating to program changes (i.e., course additions/drops or transfers) or withdrawal from school and so identified on the student enrollment agreement.

Stat. Auth.: ORS 345.020

Stats. Implemented: ORS 345.030 & 345.325

Hist.: 1 EB 31-1986, f. & ef. 7-23-86; EB 11-1990, f. & cert. ef. 2-1-90; EB 13-1996, f. & cert. ef. 7-26-96; ODE 32-2000, f. 12-11-00 cert. ef. 1-1-01; ODE 21-2002, f. 9-26-02 cert. ef. 10-1-02; ODE 17-2003, f. 12-30-03, cert. ef. 1-1-04; ODE 15-2006, f. 12-11-06, cert. ef. 1-1-07; ODE 13-2008, f. & cert. ef. 5-23-08; ODE 13-2008, f. & cert. ef. 5-23-08; ODE 3-2010, f. & cert. ef. 2-8-10; ODE 27-2012, f. 9-13-12, cert. ef. 9-17-12; Renumbered from 581-045-0001 by HECC 2-2014, f. & cert. ef. 4-23-14; HECC 3-2016, f. & cert. ef. 3-9-16

715-045-0007

License Fees

(1)(a) Before issuing a career school license under ORS 345.010 to 345.450, the Executive Director shall collect a nonrefundable, annual license fee based on the fee schedule below in OAR 715-045-0007(1)(c) for In-State Schools and OAR 715-045-0007(1)(d) for Out-of-State Schools.

(b) For purposes of ORS 345.080, “tuition income” means “gross tuition income,” as that term is defined at OAR 715-045-0001 and 715-045-0007.

(c) In-State Schools: Tuition Income Range — Fee:

(A) \$0–15,000 — ~~\$600~~\$780;

(B) 15,001–50,000 — ~~800~~\$1,040;

(C) 50,001–125,000 — ~~1,000~~\$1,300;

(D) 125,001–250,000 — ~~1,425~~\$1,853;

(E) 250,001–500,000 — ~~1,850~~\$2,405;

(F) 500,001–750,000 — ~~2,275~~\$2,958;

(G) 750,001–1,000,000 — ~~2,700~~\$3,510;

(H) Over 1,000,000 — ~~3,125~~. The base rate of (G) above plus \$276 for every \$250,000 over \$1,000,000.

(d) Out-of-state Schools: Tuition Income Range — Fee:

(A) \$0–50,000 — ~~\$1,850~~\$2,405;

(B) 50,001–250,000 — ~~2,275~~\$2,958;

(C) 250,001–500,000 — ~~2,700~~\$3,510;

(D) 500,001–750,000 — ~~3,125~~\$4,063;

(E) 750,001–1,000,000 — ~~3,550~~\$4,615;

(F) Over 1,000,000 — ~~3,975~~. The base rate of (E) above plus \$276 for every \$250,000 over \$1,000,000.

(2) Applications for a new license must be accompanied by a nonrefundable application fee of \$4,000 for In-State applicants and \$6,000 for Out-of-State applicants, based on the fourth step of the fee schedule above in OAR 715-045-0007(1).

(3) The Commission shall collect a nonrefundable fee of \$12 to conduct a search of a closed career school’s transcripts and, if any are found, provide four copies of a former student’s transcript. If more than four copies are requested, the requestor shall pay a nonrefundable fee of \$2 for each additional copy.

(4) Teacher registration applications shall be accompanied by a nonrefundable application fee of \$75.

- (5) Requests to verify a teacher's registration, training, or experience shall be accompanied by a nonrefundable verification fee of \$25.
- (6) Applications for teacher trainee registrations must be accompanied by a nonrefundable registration fee of \$7.
- (7) Requests to determine whether an out-of-state applicant for a cosmetology license is qualified to take a test of the Board of Cosmetology shall be accompanied by a nonrefundable review fee of \$25.
- (8) The Commission shall collect a nonrefundable fee of \$100 for processing:
- (a) Career school license renewal applications submitted after the applicable due date established in OAR 715-045-0062. This fee shall be in addition to any civil penalties that may be assessed for renewal applications that are not submitted in compliance with the requirements of OAR 715-045-0062 and any other applicable rules.
- (b) Payments to the Tuition Protection Fund established under ORS 345.110 after the due dates established in OAR 715-045-0029. This fee shall be in addition to any civil penalties that may be assessed for payments to the Fund that are not submitted in compliance with the requirements of OAR 715-045-0029 and any other applicable rules.
- (9) The Commission shall collect the annual, nonrefundable cosmetology school inspection fee of \$100 established in ORS 345.450 from schools teaching hair design, barbering, esthetics, or nail technology. This inspection fee shall be transferred to the Health Licensing Office.
- (10)(a) The Commission shall assess a nonrefundable fee of \$200 for investigations of career schools when the commission determines that a career school has violated any provision of ORS 345.010 to 345.450, or any rule adopted pursuant to ORS 345.010 to 345.450.
- (b) If the Commission must engage an individual or business, such as a forensic accountant or an attorney, for assistance in conducting an investigation, then the commission shall assess a nonrefundable fee in an amount equal to the investigative costs incurred by the commission; however, the amount of the fee may not exceed \$5,000.
- (11) Applications for a new program must be accompanied by a nonrefundable application fee of \$1,000 for each new program submitted for review and approval which was not offered at the time of the career school's initial application to the Commission.

Stat. Auth.: ORS 345.080

Stats. Implemented: ORS 345.080

Hist.: EB 13-1996, f. & cert. ef. 7-26-96; Renumbered from 581-045-0002, ODE 32-2000, f. 12-11-00 cert. ef. 1-1-01; Renumbered from 581-045-0007 by HECC 2-2014, f. & cert. ef. 4-23-14; HECC 9-2014, f. & cert. ef. 12-18-14; HECC 7-2015(Temp), f. & cert. ef. 6-25-15 thru 12-21-15; HECC 12-2015, f. & cert. ef. 9-21-15; HECC 13-2015(Temp), f. & cert. ef. 9-23-15 thru 3-20-16; HECC 2-2016, f. & cert. ef. 3-9-16

715-045-0033

Standards for Advertising

(1) Printed school publications, brochures, or pamphlets shall be on file at the school and available upon request to any prospective student, enrolled student, and the Department.

(2) A school catalog shall meet the requirements of OAR 715-045-0019.

(3) Upon request of the student, the school must provide the following information no later than at the time the student signs an enrollment agreement:

(a) Number of students enrolled in the program at the beginning of the current reporting period;

(b) Number of students who enrolled in the program during the last reporting period;

(c) Number of students who left the program without completing it during the last reporting period;

(d) Number of students who graduated from the program during the last reporting period; and

(e) Number of those who graduated and were placed or working full time in directly related occupations during the last reporting period.

(4) Subsections (3)(b) through (e) of this rule do not apply to prelicense schools as in OAR 715-045-0014.

(5) A school shall have records available to document any statements made by the school through its advertising including salary and placement claims.

(6) A school shall not advertise that it is endorsed, recommended, or approved by the Higher Education Coordinating commission or the commission's executive director. The school may use the phrase "licensed by the Oregon Higher Education Coordinating Commission" in its advertising material.

(7) If a school offers programs licensed by the commission and also offers programs that do not require licensure, the school shall clearly identify each type of program in any publication.

(8) Any school that performs services for the public shall conspicuously display in the reception area a sign indicating that exclusively either students or employees, or both perform its services.

(9) A school licensed to offer instruction as a Private Career School for one or more programs shall provide students, prior to enrollment, a copy of a basic program and school fact page for each program for which a certificate or diploma is offered. The fact page shall include information regarding:

(A) The total cost of the program;

(B) Programmatic and institutional accrediting bodies;

(C) Transfer of credit to other accredited institutions, listing of any transfer articulation agreements with other institutions and in an attached document make available to students the related transfer articulation pre-requisite information;

(D) Program length, and the average time students take to graduate by program, and at whole school level;

(E) Graduation rate;

(F) Median borrowing (federal and private loans) amount, and median annual loan payments of students;

(G) Loan default rate;

(H) Job placement success which is defined as a percent of students who are employed in the field of study (by program);

(I) Median starting salary for graduates;

(J) Gainful employment results as outlined under U.S. Department of Education accountability metrics; and

(i) The Commission, at its discretion, may waive the requirement above for non-career/non-vocational academic programs offered by regulated and licensed Oregon non-profits.

(ii) A school is licensed to offer instruction shall submit to the Commission a copy of the program fact page for each program on or before September 1 of each year commencing 2017.

Stat. Auth.: ORS 345.325 & SB 326.051

Stats. Implemented: ORS 345.325

Hist.: 1EB 257, f. 1-3-77, ef. 7-1-77; 1 EB 30-1986, f. & ef. 7-23-86; EB 11-1990, f. & cert. ef. 2-1-90; EB 13-1996, f. & cert. ef. 7-26-96; ODE 23-2000(Temp), f. 7-27-00, cert. ef. 7-27-00 thru 1-22-01;

Renumbered from 581-045-0021, ODE 32-2000, f. 12-11-00 cert. ef. 1-1-01; ODE 21-2002, f. 9-26-02 cert. ef. 10-1-02; Renumbered from 581-045-0033 by HECC 2-2014, f. & cert. ef. 4-23-14