HIGHER EDUCATION COORDINATING COMMISSION
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HIGHER EDUCATION COORDINATING COMMISSION
February 13, 2020
Docket Item #: 12.1

Docket Item:

Approve administrative rule change to 715-045-0067 and adoption of new rule 715-045-0069.

Allowing for temporary closure of a private career school without loss of licensure. This is a permanent adoption of a new Administrative Rule that was approved as a temporary rule by the Commission at the December 12, 2019 HECC Commission meeting and will be subject to normal Rule approval process.
Non-substantive changes will be made to 715-045-0067 to reflect the changes enacted by the new Temporary School Closure rule.

Summary:

☒ **New Rule** ☐ **Temporary**

☒ **Amend Existing Rule** ☒ **Permanent**

☐ **Repeal Rule**

Prompted by:

☐ **State law changes**

☐ **Federal law changes**

☒ **Other**

This new Administrative Rule allows for private career schools under Oregon Revised Statutes chapter 345 to cease operations for up to twelve months without requiring the school to relinquish its license as currently required by Rule. Temporary Closure status is subject to approval by the Commission through the Executive Director. Temporary Closure status may be granted in cases where the school's facilities are unusable for a period of time, or when the owner or other principal staff are unable to perform their duties because of injury or illness. Schools with this status must make teach out arrangements or offer refunds to affected students. Temporarily closed schools must maintain their license for the duration of closure. Affected students are also eligible for access to Tuition Protection Funds through the Commission.

Docket Material:

See the attached Rule text.

Staff Recommendation:

Staff recommends the Commission move to approve permanent administrative rule change to 715-045-0067 and adoption of new rule 715-045-0069.

School Closure
Alignment with new rule 715-045-0069 Temporary School Closure

715-045-0067
School Closure

(1) In the event a school closes, the school shall file a plan with the Higher Education Coordinating Commission designed to protect the contractual rights of its students and graduates, including the right to complete the course of instruction in which they were enrolled. The school shall return its license to the Cccommission immediately by certified mail upon cessation of instruction, except as provided in 715-045-0069.

(2) A school that is closing, either voluntarily or involuntarily, shall:

(a) Inform the Cccommission of this action by certified mail at least 30 calendar days prior to the anticipated cessation of instruction and other normal school business practices. Such notice shall detail the school's closure plan including:

(A) Teach-out arrangements (if made with another school);

(B) The name, address, and telephone number of the person, who will be responsible for closing arrangements;

(C) The name, address, telephone number, and the name of the course of instruction for every student who will not complete their course of instruction; and

(D) The amount of class time left for each student to complete the course with the amount of refund, if any, for which each student is eligible;

(b) Provide written notice to all registered and enrolled students of the school's closure plan at least 30 calendar days prior to closure;

(c) Furnish the Cccommission with copies of the written notice being mailed to all enrolled students explaining the procedures they are to follow to secure refunds or to continue their education;

(d) File procedures for disbursement of refunds with the Cccommission and set a date no later than 30 calendar days from the last day of instruction to issue refund checks in the full amount for which students are entitled; and

(e) Within four calendar days of its closing transfer permanent student transcripts and roster of all students enrolled at the time of closure to the Cccommission. All transcripts of students not enrolled at the time of closure are due to the Cccommission within 90 calendar days after closure.

(3) If students are receiving instruction prior to the school's closing, the school shall file a plan, approved by the Cccommission's Eeexecutive Ddirector, with the Cccommission to ensure that the school's students will continue to receive training of the same quality and content as that for which they contracted.

(4) If the Eeexecutive Eddirector, in any situation in which students are receiving instruction prior to a school's closing, determines that the school has not fulfilled its contractual obligations or that a student has reasonable and justifiable objections to the proposed transfer resulting from the closing, the school shall refund all tuition, fees, and other charges as related to OAR 715-045-0026(6).

(5) If the school to be closed offers a combination of distance learning and resident training, the school shall refund the entire cost of both the distance learning and resident portion paid.

School Closure
Alignment with new rule 715-045-0069 Temporary School Closure

(6) Any school owner, including a corporation and/or any of its officers, involved in the decision to close a school in violation of this section will not be granted a license to operate any other private career school in Oregon.

(7) When a school closes or ceases operation, for any reason, its license is automatically revoked effective the day following the date of closure or cessation of operations, except as provided in 715-045-0069.

New Rule: Temporary School Closure

715-045-0069
Temporary School Closure

(1) The Commission may designate a school as temporarily closed if the following conditions are met:

(a) The school must request "temporary closure" designation in writing from the Commission, subject to approval of the Executive Director. That request must state the reason(s) for the request for temporary closure status as set forth in (1)(b), including providing any documentation in support of the request as required by the Commission, and a projected timeline for the resumption of educational operations.

(b) The Commission may grant temporary closure status if the requesting school ceases educational operations due to unforeseeable or exigent circumstances including, but not limited to, property loss or damage due to fire, flood, or other natural disaster; or inability of the owner, manager, or other key staff to perform their duties due to extended illness or injury, as determined by the Executive Director.

(c) The Commission may grant temporary closure status to a school for not longer than twelve months from the date of first request for the designation. Temporary closure status shall not result in the revocation of the school's license so long as the school is in compliance with all relevant laws.

(d) Schools granted temporary closure status shall make notice, teach out, transfer and refund arrangements for currently enrolled students as provided in 715-045-0067 (2)(a) through (2)(d) if the Commission directs the school to do so.

(e) Schools in temporary closure status must respond to requests from students and the Commission for information, updates, and records within ten calendar days.

(f) Current students of schools granted temporary closure status by the Commission shall be eligible for refunds under the Tuition Protection Fund, subject to the limitations of 715-045-0029.

(g) A school designated for temporary closure must maintain its license for the duration of the temporary closure.

(h) A school on temporary closure status that is required to make Tuition Protection Fund payments shall continue to make regular payments subject to the requirements of 715-045-0029.

Statutory Authority: 345.020

Statutes Implemented 345.020, 345.030, 345.110, and 345.120