

Enrolled
House Bill 2108

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Pre-session filed (at the request of Superintendent of Public Instruction Susan Castillo for Department of Education)

CHAPTER

AN ACT

Relating to career schools; creating new provisions; and amending ORS 345.015, 345.030 and 345.080.

Be It Enacted by the People of the State of Oregon:

SECTION 1. Section 2 of this 2009 Act is added to and made a part of ORS 345.010 to 345.450.

SECTION 2. When a school that is licensed under ORS 345.010 to 345.450 is approved by the Oregon Student Assistance Commission through the Office of Degree Authorization to confer or offer to confer an academic degree under ORS 348.606 and the school continues to offer a course or program that does not lead to an academic degree:

(1) The school must continue to be licensed as a career school and meet the requirements of ORS 345.010 to 345.450 until:

- (a) All courses or programs offered by the school are approved by the commission; and
- (b) All students who were first enrolled in the school when the school was licensed as a career school have:

(A) Completed the course or program for which the student contracted with the career school; or

(B) Terminated enrollment in the career school for any reason.

(2) A student who is enrolled in a course or program for which a school must be licensed under ORS 345.010 to 345.450 is eligible for moneys from the Tuition Protection Fund established under ORS 345.110 if the student:

(a) Qualifies for moneys under rules adopted by the State Board of Education under ORS 345.110; and

(b) Was first admitted to the school when the school was licensed as a career school under ORS 345.010 to 345.450.

(3) When a course or program that did not lead to an academic degree is approved by the commission to lead to an academic degree, the regulatory authority for that course or program transfers to the commission upon the approval.

SECTION 3. ORS 345.015 is amended to read:

345.015. ORS 345.010 to 345.450 do not apply to:

(1) Instruction or training solely avocational or recreational in nature or to institutions offering such education exclusively.

[2] *Schools that the Superintendent of Public Instruction determines are adequately regulated by other means, including but not limited to accreditation by the Northwest Association of Schools and Colleges.*]

[(3)] **(2)** Instruction or training sponsored or offered by a bona fide trade, business, professional or fraternal organization or by a business solely for the organization's membership or the business's employees.

[(4)] **(3)** Instruction or training sponsored, offered or contracted by organizations, institutions or agencies, if the instruction or training is advertised or promoted to be in the nature of professional self-improvement [*but*] **or personal self-improvement and the instruction or training is not:**

(a) Advertised or promoted as leading to or fulfilling the requirements for licensing, certification, accreditation or education credentials[.]; **or**

(b) Leading to an occupation, employment or other activity for which a person may reasonably expect financial compensation.

[(5)] *Any school approved by the Oregon Student Assistance Commission to confer or offer to confer academic degrees under ORS 348.606 or any school described in ORS 348.597.*

[(6)] *Schools offering only review instruction to prepare a student to take an examination to enter a profession, where the student has completed prior training related to that profession.*

[(7)] **(4)** Courses offered in hospitals [*which*] **that** meet standards prescribed by the American Medical Association or national accrediting associations for nursing.

(5) Courses, instruction or training offered for a limited number of hours, as defined by rule of the State Board of Education.

[(8)] **(6)** Schools offering only courses of an advanced training or continuing educational nature when offered solely to licensed practitioners and people previously qualified or employed in [*a related*] **the profession[.] for which a course is being offered.**

(7) Schools that the Superintendent of Public Instruction determines are adequately regulated by other means that guarantee the school meets the standards of ORS 345.325.

(8) Schools offering only review instruction to prepare a student to take an examination to enter a profession, where the student has completed prior training related to the profession.

(9) Schools described in ORS 348.597 and, except as provided in section 2 of this 2009 Act, schools approved by the Oregon Student Assistance Commission to confer or offer to confer academic degrees under ORS 348.606.

[(9)] **(10)** Any parochial or denominational institution providing instruction or training relating solely to religion and [*which*] **that** does not grant degrees.

SECTION 4. ORS 345.030 is amended to read:

345.030. (1) [*No person shall*] **A person may not** open, conduct or do business as a career school in this state without obtaining a license under ORS 345.010 to 345.450.

(2) Except as provided in subsection (8) of this section, the Superintendent of Public Instruction may issue a license to conduct a career school [*shall be granted*] only after the applicant has presented proof satisfactory to the superintendent [*of Public Instruction*] or the representative [*thereof*] **of the superintendent** that the applicant complies with applicable standards adopted under ORS 345.325 and 670.280. **For the purpose of this subsection,** ORS 670.280 applies to individuals who hold positions of authority or control in the operation of the school and to its faculty members and agents.

(3) A career school licensed in any other state must be licensed in this state before establishing a physical presence in this state such as offices or agents, or both, for the purpose of solicitation of students.

(4) In determining whether to issue a license to a career school, the superintendent may consider the prior history of the applicant in operating other career schools. The prior history of operating other career schools includes, but is not limited to:

(a) Conduct by the applicant that is cause for probation of a licensee or for suspension or revocation of a license as provided in ORS 345.120 (2);

(b) Failure to comply with ORS 345.010 to 345.450 or rules adopted under ORS 345.010 to 345.450; and

(c) The history of the applicant in operating career schools in other states.
(5) The superintendent may not issue a license to or renew the license of a career school until the applicant provides all of the following to the superintendent:

(a) A financial statement, certified true and accurate and signed by the owner of the school;

(b) Proof of compliance with the tuition protection policy established by the State Board of Education pursuant to ORS 345.110; and

(c) Fingerprints of individuals as described in subsection (6) of this section.

(6)(a) Except as provided in paragraph (c) of this subsection, an applicant for an initial issuance of a license or a renewal of a license must provide to the superintendent the fingerprints of faculty members and agents of the school and individuals who hold positions of authority or control in the operation of the school if the career school will be enrolling or does enroll persons under 18 years of age.

(b) In addition to requirements provided under paragraph (a) of this subsection, the superintendent may require a career school to provide the fingerprints of any agents of the school who will have contact with persons under 18 years of age on behalf of the career school.

(c) An applicant is not required to provide fingerprints under paragraph (a) or (b) of this subsection if the Department of Education has conducted a state or nationwide criminal records check on the person within the three years preceding the date of the application.

(d) Fingerprints acquired under this subsection may be used only for the purpose of requesting a state or nationwide criminal records check under ORS 181.534.

(7) Notwithstanding ORS 345.325 (10), the superintendent may place a school on probation or deny, suspend or revoke a license if the superintendent finds that an individual who holds a position of authority or control in the operation of the school was convicted of a crime listed in ORS 342.143.

(8) The superintendent may issue a conditional license to a career school that meets the requirements of subsection (5) of this section but that does not comply with the applicable standards adopted by rule under ORS 345.325. A conditional license issued under this subsection is effective for a period prescribed by the department, which may not exceed 90 days.

[(4)] (9)(a) [The] Except as provided in paragraph (b) of this subsection, a career school license is nontransferable. The licensee must give 30 days [prior notification] of notice to the Department of Education when transferring ownership of a career school.

(b) The department may transfer a career school license or allow the ownership of a career school to transfer with less than 30 days of notice if:

(A) The owner of the school dies, is incapacitated or is incarcerated; or

(B) Other circumstances render the owner unable to operate the career school.

[(5)] (10) Each career school shall display its license in a prominent place.

[(6) No career school shall be issued a license or have its license renewed until the applicant furnishes the superintendent a financial statement, certified true and accurate and signed by the owner of the school.]

[(7) No career school shall be issued a license or have its license renewed until the applicant provides proof of compliance with the tuition protection policy established by the State Board of Education pursuant to ORS 345.110.]

SECTION 5. ORS 345.080 is amended to read:

345.080. (1) Before issuing any licenses under ORS 345.010 to 345.450, the Superintendent of Public Instruction shall collect the following nonrefundable, annual license fees:

<u>In-State Schools</u>	
<u>Tuition Income Range</u>	<u>Fee</u>
\$ 0 - 15,000	\$ 450

15,001 - 50,000	600
50,001 - 125,000	750
125,001 - 250,000	1,050
250,001 - 500,000	1,350
500,001 - 750,000	1,650
750,001 - 1,000,000	1,950
Over 1,000,000	2,250

<u>Out-of-State Schools</u>		
<u>Tuition</u>	<u>Income Range</u>	<u>Fee</u>
\$	0 - 50,000	\$ 1,350
	50,001 - 250,000	1,650
	250,001 - 500,000	1,950
	500,001 - 750,000	2,250
	750,001 - 1,000,000	2,550
	Over 1,000,000	2,850

(2) The State Board of Education may adopt, by rule, fees for teacher registration and fees for providing copies of student transcripts maintained at the Department of Education.

(3) The board may adopt, by rule, fees for conducting a state or nationwide criminal background check under ORS 181.534 and may collect fees for each criminal records check. Fees collected as provided by this subsection are in addition to any other fees collected by the department.

[3] (4) All fees collected under this section shall be paid to the credit of the department. Such moneys are continuously appropriated to the department and shall be used for the administration of the licensing program under ORS 345.010 to 345.450.

SECTION 6. The amendments to ORS 345.030 and 345.080 by sections 4 and 5 of this 2009 Act apply to applications for issuance or renewal of a license that are submitted to the Department of Education on or after the effective date of this 2009 Act.

Passed by House May 7, 2009

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Chief Clerk of House

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Speaker of House

Passed by Senate May 21, 2009

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President of Senate

Received by Governor:

.....M,....., 2009

Approved:

.....M,....., 2009

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Governor

Filed in Office of Secretary of State:

.....M,....., 2009

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Secretary of State