

# 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)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Requires school that confers or offers to confer academic degree to be licensed as career school for course or program that does not lead to academic degree.

Allows Superintendent of Public Instruction to consider prior history of applicant when granting license for career school.

Directs superintendent to require criminal records checks on applicant for licensure or renewal of license as career school if school offers courses to minors.

## A BILL FOR AN ACT

1  
2 Relating to career schools; creating new provisions; and amending ORS 345.015, 345.030 and 345.080.

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

4 **SECTION 1. Section 2 of this 2009 Act is added to and made a part of ORS 345.010 to**  
5 **345.450.**

6 **SECTION 2. When a school that has been approved by the Oregon Student Assistance**  
7 **Commission to confer or offer to confer academic degrees under ORS 348.606 also offers a**  
8 **course or program that does not lead to an academic degree:**

9 (1) **The school must be licensed as a career school and meet the requirements of ORS**  
10 **345.010 to 345.450 and rules adopted by the State Board of Education under ORS 345.010 to**  
11 **345.450.**

12 (2) **A student enrolled in the course or program is eligible for moneys from the Tuition**  
13 **Protection Fund established under ORS 345.110 if the student:**

14 (a) **Qualifies for moneys under rules adopted by the State Board of Education under ORS**  
15 **345.110;**

16 (b) **Was first admitted to the school when the school was licensed as a career school**  
17 **under ORS 345.010 to 345.450; and**

18 (c) **Continuously attended the career school until the career school ceased providing ed-**  
19 **ucational services.**

20 **SECTION 3. Section 2 of this 2009 Act applies to courses or programs started on or after**  
21 **the effective date of this 2009 Act.**

22 **SECTION 4. ORS 345.015 is amended to read:**

23 345.015. ORS 345.010 to 345.450 do not apply to:

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

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

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

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

4 (4) Instruction or training sponsored, offered or contracted by organizations, institutions or  
 5 agencies, if the instruction or training is advertised or promoted to be in the nature of professional  
 6 self-improvement but is not advertised or promoted as leading to or fulfilling the requirements for  
 7 licensing, certification, accreditation or education credentials.

8 (5) Any school approved by the Oregon Student Assistance Commission to confer or offer to  
 9 confer academic degrees under ORS 348.606 or any school described in ORS 348.597, **unless the**  
 10 **school offers a course or program as described in section 2 of this 2009 Act.**

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

13 (7) Courses offered in hospitals which meet standards prescribed by the American Medical As-  
 14 sociation or national accrediting associations for nursing.

15 (8) Schools offering only courses of an advanced training or continuing educational nature when  
 16 offered solely to licensed practitioners and people previously qualified or employed in a related  
 17 profession.

18 (9) Any parochial or denominational institution providing instruction or training relating solely  
 19 to religion and which does not grant degrees.

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

22 **SECTION 5.** ORS 345.030 is amended to read:

23 345.030. (1) *[No person shall]* **A person may not** open, conduct or do business as a career school  
 24 in this state without obtaining a license under ORS 345.010 to 345.450.

25 (2) **The Superintendent of Public Instruction may only issue** a license to conduct a career  
 26 school *[shall be granted only]* after the applicant has presented proof satisfactory to the super-  
 27 intendent *[of Public Instruction]* or the representative *[thereof]* **of the superintendent** that the ap-  
 28 plicant complies with applicable standards adopted under ORS 345.325 **and 670.280. For the**  
 29 **purpose of this subsection,** ORS 670.280 applies to individuals who hold positions of authority or  
 30 control in the operation of the school and to its faculty members and agents.

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

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

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

39 (b) **Failure to comply with ORS 345.010 to 345.450 or rules adopted under ORS 345.010 to**  
 40 **345.450; and**

41 (c) **The history of the applicant in operating career schools in other states.**

42 (5) **The superintendent may not issue a license to or renew the license of a career school**  
 43 **until the applicant provides all of the following to the superintendent:**

44 (a) **A financial statement, certified true and accurate and signed by the owner of the**  
 45 **school.**

1       **(b) Proof of compliance with the tuition protection policy established by the State Board**  
 2 **of Education pursuant to ORS 345.110.**

3       **(c) If the career school will be enrolling or does enroll persons who are under 18 years**  
 4 **of age, fingerprints of individuals who hold positions of authority or control in the operation**  
 5 **of the school and faculty members and agents of the school. Fingerprints acquired under this**  
 6 **paragraph may be used only for the purpose of requesting a state or nationwide criminal**  
 7 **records check under ORS 181.534.**

8       [(4)] **(6) [The] A career** school license is nontransferable. The licensee must give 30 days prior  
 9 notification to the Department of Education when transferring ownership **of a career school.**

10       [(5)] **(7)** Each career school shall display its license in a prominent place.

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

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

17       **SECTION 6. The amendments to ORS 345.030 by section 5 of this 2009 Act apply to ap-**  
 18 **lications for issuance or renewal of a license that are submitted on or after the effective**  
 19 **date of this 2009 Act.**

20       **SECTION 7.** ORS 345.080 is amended to read:

21       345.080. (1) Before issuing any licenses under ORS 345.010 to 345.450, the Superintendent of  
 22 Public Instruction shall collect the following nonrefundable, annual license fees:

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<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 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

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

3           **(3) The board may adopt, by rule, fees for conducting a criminal background check under**  
4 **ORS 181.534. The fees are in addition to any other fees collected by the department.**

5           ~~(3)~~ (4) All fees collected under this section shall be paid to the credit of the department. Such  
6 moneys are continuously appropriated to the department and shall be used for the administration  
7 of the licensing program under ORS 345.010 to 345.450.

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