

Senate Bill 103

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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**.

Expands definition of "agent" for career schools.

Establishes requirements to transition school between career school regulated by Department of Education and career school regulated by agency of executive department. Allows Superintendent of Public Instruction to grant exemption to authorize agency to regulate certain career schools.

Allows State Board of Education to adopt rules related to general governance and operation of career schools.

Authorizes board to adopt fees for certain activities related to career schools.

Allows board to consider financial condition of owner of career school when establishing payment schedule for Tuition Protection Fund. Requires board to adopt minimum standards related to financial soundness of owner of career school.

Clarifies terms of probation and suspension for licensee of career school.

Modifies training requirements for hair design, barbering, esthetics and nail technology.

Declares emergency, effective July 1, 2013.

A BILL FOR AN ACT

1
2 Relating to career schools; creating new provisions; amending ORS 345.010, 345.015, 345.020, 345.070,
3 345.080, 345.110, 345.120, 345.325, 345.330 and 345.400 and section 47, chapter 104, Oregon Laws
4 2012; and declaring an emergency.

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

6 **SECTION 1.** ORS 345.010 is amended to read:

7 345.010. As used in ORS 345.010 to 345.450 and 345.992 to 345.997:

8 (1) "Agent" means *[a person]* **an individual who:**

9 (a) **Is** employed by or for a career school, **or is working on behalf of the school under a**
10 **contract**, for the purpose of procuring students, enrollees or subscribers **of the school** by sollicita-
11 tion in any form[,] **that is** made at a place or places other than the school office or place of business
12 of *[such school.]* **the school; or**

13 (b) **At the request of a career school or under a contract with a career school, provides**
14 **information technology services for the school and has control over information technology**
15 **systems that are used for the purpose of procuring students, enrollees or subscribers of the**
16 **school by solicitation in any form that is made by technology that is accessed at a place or**
17 **places other than the school office or place of business of the school.**

18 (2) "Barbering" has the meaning given that term in ORS 690.005.

19 (3) "Board" means the State Board of Education.

20 (4) "Career school" or "school" means any private proprietary professional, technical, home
21 study, correspondence, business or other school instruction, organization or person that offers any
22 instruction or training for the purpose or purported purpose of instructing, training or preparing
23 persons for any profession.

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

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 (6) “Hair design” has the meaning given in ORS 690.005.

2 (7) “License” means the authority the career school has been granted to operate under ORS
3 345.010 to 345.450.

4 (8) “Nail technology” has the meaning given in ORS 690.005.

5 (9) “Registration” means the approval by the Superintendent of Public Instruction of a teacher
6 or agent to instruct in or to represent the school.

7 (10) “Superintendent” means Superintendent of Public Instruction.

8 **SECTION 2.** ORS 345.010, as amended by section 20, chapter 104, Oregon Laws 2012, is
9 amended to read:

10 345.010. As used in ORS 345.010 to 345.450 and 345.992 to 345.997:

11 (1) “Agent” means [*a person*] **an individual who:**

12 (a) **Is employed by or for a career school, or is working on behalf of the school under a**
13 **contract**, for the purpose of procuring students, enrollees or subscribers **of the school** by solicita-
14 tion in any form[,] **that is made at a place or places other than the school office or place of business**
15 **of [*such school.*] the school; or**

16 (b) **At the request of a career school or under a contract with a career school, provides**
17 **information technology services for the school and has control over information technology**
18 **systems that are used for the purpose of procuring students, enrollees or subscribers of the**
19 **school by solicitation in any form that is made by technology that is accessed at a place or**
20 **places other than the school office or place of business of the school.**

21 (2) “Barbering” has the meaning given that term in ORS 690.005.

22 (3) “Career school” or “school” means any private proprietary professional, technical, home
23 study, correspondence, business or other school instruction, organization or person that offers any
24 instruction or training for the purpose or purported purpose of instructing, training or preparing
25 persons for any profession.

26 (4) “Esthetics” has the meaning given in ORS 690.005.

27 (5) “Hair design” has the meaning given in ORS 690.005.

28 (6) “License” means the authority the career school has been granted to operate under ORS
29 345.010 to 345.450.

30 (7) “Nail technology” has the meaning given in ORS 690.005.

31 (8) “Registration” means the approval by the Higher Education Coordinating Commission of a
32 teacher or agent to instruct in or to represent the school.

33 **SECTION 3.** Section 4 of this 2013 Act is added to and made a part of ORS 345.010 to
34 345.450.

35 **SECTION 4.** (1) As used in this section, “state agency” means an agency of the executive
36 department.

37 (2) **If the Superintendent of Public Instruction determines that a state agency is willing**
38 **and able to regulate a career school in a manner that guarantees the school meets the**
39 **standards described in ORS 345.325, the superintendent may grant an exemption from the**
40 **licensure requirements of ORS 345.010 to 345.450.**

41 (3) **A career school for which an exemption is granted as provided by this section must**
42 **continue to be licensed as a career school and meet all of the requirements of ORS 345.010**
43 **to 345.450 until:**

44 (a) **All of the school’s operations are approved by the state agency; and**

45 (b) **Each student who was first enrolled in the school when the school was subject to the**

1 licensure requirements of ORS 345.010 to 345.450 has:

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

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

5 (4) The regulatory authority for the career school transfers to the state agency upon the
6 approval of all of the school's operations by the state agency and the granting of the ex-
7 emption by the superintendent as provided by this section.

8 (5) A student enrolled in a career school for which an exemption is granted as provided
9 by this section is eligible for moneys from the Tuition Protection Fund established under
10 ORS 345.110 if the student:

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

13 (b) Was first enrolled in the school when the school was subject to the licensure re-
14 quirements of ORS 345.010 to 345.450.

15 (6) If a state agency notifies the superintendent that the state agency is no longer willing
16 to regulate a career school:

17 (a) The exemption granted by the superintendent is revoked, and the regulatory authority
18 for the career school transfers to the superintendent when each student who was first en-
19 rolled in the school at the time the school was regulated by the state agency has:

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

22 (B) Terminated enrollment in the school for any reason;

23 (b) The career school must submit an application to the superintendent for licensure as
24 a career school as provided by ORS 345.010 to 345.450; and

25 (c) The career school is prohibited from enrolling new students from the date on which
26 the exemption is revoked under paragraph (a) of this subsection until the date on which the
27 superintendent approves an application for licensure submitted under paragraph (b) of this
28 subsection.

29 **SECTION 5.** Section 4 of this 2013 Act is amended to read:

30 **Sec. 4.** (1) As used in this section, "state agency" means an agency of the executive department.

31 (2) If the [*Superintendent of Public Instruction*] **Higher Education Coordinating Commission**
32 determines that a state agency is willing and able to regulate a career school in a manner that
33 guarantees the school meets the standards described in ORS 345.325, the [*superintendent*] **commis-**
34 **sion** may grant an exemption from the licensure requirements of ORS 345.010 to 345.450.

35 (3) A career school for which an exemption is granted as provided by this section must continue
36 to be licensed as a career school and meet all of the requirements of ORS 345.010 to 345.450 until:

37 (a) All of the school's operations are approved by the state agency; and

38 (b) Each student who was first enrolled in the school when the school was subject to the
39 licensure requirements of ORS 345.010 to 345.450 has:

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

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

42 (4) The regulatory authority for the career school transfers to the state agency upon the ap-
43 proval of all of the school's operations by the state agency and the granting of the exemption by the
44 [*superintendent*] **commission** as provided by this section.

45 (5) A student enrolled in a career school for which an exemption is granted as provided by this

1 section is eligible for moneys from the Tuition Protection Fund established under ORS 345.110 if the
2 student:

3 (a) Qualifies for the moneys under rules adopted by the [*State Board of Education*] **commission**
4 under ORS 345.110; and

5 (b) Was first enrolled in the school when the school was subject to the licensure requirements
6 of ORS 345.010 to 345.450.

7 (6) If a state agency notifies the [*superintendent*] **commission** that the state agency is no longer
8 willing to regulate a career school:

9 (a) The exemption granted by the [*superintendent*] **commission** is revoked, and the regulatory
10 authority for the career school transfers to the [*superintendent*] **commission** when each student who
11 was first enrolled in the school at the time the school was regulated by the state agency has:

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

13 (B) Terminated enrollment in the school for any reason;

14 (b) The career school must submit an application to the [*superintendent*] **commission** for
15 licensure as a career school as provided by ORS 345.010 to 345.450; and

16 (c) The career school is prohibited from enrolling new students from the date on which the ex-
17 emption is revoked under paragraph (a) of this subsection until the date on which the
18 [*superintendent*] **commission** approves an application for licensure submitted under paragraph (b)
19 of this subsection.

20 **SECTION 6.** Section 47, chapter 104, Oregon Laws 2012, is amended to read:

21 **Sec. 47.** Sections 13 to 19 [*of this 2012 Act and*], **chapter 104, Oregon Laws 2012**, the amend-
22 ments to ORS 341.455, 345.010, 345.015, 345.017, 345.020, 345.030, 345.040, 345.060, 345.070, 345.080,
23 345.110, 345.115, 345.117, 345.120, 345.325, 345.330, 345.340, 345.400, 345.430, 345.450, 345.995, 348.040,
24 348.070, 418.658, 471.580, 690.225 and 696.182 by sections 20 to 46 [*of this 2012 Act*], **chapter 104,**
25 **Oregon Laws 2012, and the amendments to section 4 of this 2013 Act by section 5 of this 2013**
26 **Act** become operative on July 1, 2013.

27 **SECTION 7.** ORS 345.015 is amended to read:

28 345.015. ORS 345.010 to 345.450 do not apply to:

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

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

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

37 (a) Advertised or promoted as leading to or fulfilling the requirements for licensing, certif-
38 ication, accreditation or education credentials; or

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

41 (4) Courses offered in hospitals that meet standards prescribed by the American Medical Asso-
42 ciation or national accrediting associations for nursing.

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

45 (6) Schools offering only courses of an advanced training or continuing educational nature when

1 offered solely to licensed practitioners and people previously qualified or employed in the profession
 2 for which a course is being offered.

3 (7) Schools that the Superintendent of Public Instruction:

4 (a) Determines are adequately regulated by other means that guarantee the school meets the
 5 standards [of] **described in ORS 345.325; and**

6 **(b) As a result of the determination described in paragraph (a) of this subsection, grants**
 7 **an exemption from the licensure requirements of ORS 345.010 to 345.450.**

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

10 (9) Schools described in ORS 348.597 and, except as provided in ORS 345.017, schools approved
 11 by the Higher Education Coordinating Commission to confer or offer to confer academic degrees
 12 under ORS 348.606.

13 (10) Any parochial or denominational institution providing instruction or training relating solely
 14 to religion and that does not grant degrees.

15 **SECTION 8.** ORS 345.015, as amended by section 21, chapter 104, Oregon Laws 2012, is
 16 amended to read:

17 345.015. ORS 345.010 to 345.450 do not apply to:

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

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

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

26 (a) Advertised or promoted as leading to or fulfilling the requirements for licensing, certif-
 27 ication, accreditation or education credentials; or

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

30 (4) Courses offered in hospitals that meet standards prescribed by the American Medical Asso-
 31 ciation or national accrediting associations for nursing.

32 (5) Courses, instruction or training offered for a limited number of hours, as defined by rule of
 33 the Higher Education Coordinating Commission.

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

37 (7) Schools that the Higher Education Coordinating Commission:

38 (a) Determines are adequately regulated by other means that guarantee the school meets the
 39 standards [of] **described in ORS 345.325; and**

40 **(b) As a result of the determination described in paragraph (a) of this subsection, grants**
 41 **an exemption from the licensure requirements of ORS 345.010 to 345.450.**

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

44 (9) Schools described in ORS 348.597 and, except as provided in ORS 345.017, schools approved
 45 by the Higher Education Coordinating Commission to confer or offer to confer academic degrees

1 under ORS 348.606.

2 (10) Any parochial or denominational institution providing instruction or training relating solely
3 to religion and that does not grant degrees.

4 **SECTION 9.** ORS 345.020 is amended to read:

5 345.020. (1) **The State Board of Education may adopt rules pursuant to ORS chapter 183**
6 **for the general governance and operation of career schools. Rules adopted by the board may**
7 **be specific to the individual professions for which career schools provide instruction or**
8 **training.**

9 [(1)] (2) The Superintendent of Public Instruction shall administer ORS 345.010 to 345.450 and
10 345.992 to 345.997 and shall enforce all laws and rules relating to the licensing of career schools
11 and agents.

12 [(2)] (3) The superintendent may establish procedures whereby schools become eligible to partic-
13 ipate in federal student assistance programs if approved by the United States Department of Ed-
14 ucation.

15 [(3)] (4) The superintendent and the employees of the Department of Education [*shall*] **may** not
16 have financial interests in any career school and [*shall*] **may** not act as agents or employees
17 [*thereof*] **of any career school.**

18 **SECTION 10.** ORS 345.020, as amended by section 23, chapter 104, Oregon Laws 2012, is
19 amended to read:

20 345.020. (1) **The Higher Education Coordinating Commission may adopt rules pursuant to**
21 **ORS chapter 183 for the general governance and operation of career schools. Rules adopted**
22 **by the commission may be specific to the individual professions for which career schools**
23 **provide instruction or training.**

24 [(1)] (2) The [*Higher Education Coordinating*] commission shall administer ORS 345.010 to 345.450
25 and 345.992 to 345.997 and shall enforce all laws and rules relating to the licensing of career schools
26 and agents.

27 [(2)] (3) The commission may establish procedures whereby schools become eligible to partic-
28 ipate in federal student assistance programs if approved by the United States Department of Edu-
29 cation.

30 [(3)] (4) Members and employees of the commission may not have financial interests in any ca-
31 reer school and may not act as agents or employees [*thereof*] **of any career school.**

32 **SECTION 11.** ORS 345.070 is amended to read:

33 345.070. (1) The employing school shall issue an identification credential to each agent regis-
34 tered under ORS 345.010 to 345.450 in the form and size prescribed by the Superintendent of Public
35 Instruction. Each agent shall carry the credential at all times while engaged as an agent of the
36 school.

37 **(2) The requirements of this section apply only to agents described in ORS 345.010 (1)(a).**

38 **SECTION 12.** ORS 345.070, as amended by section 27, chapter 104, Oregon Laws 2012, is
39 amended to read:

40 345.070. (1) The employing school shall issue an identification credential to each agent regis-
41 tered under ORS 345.010 to 345.450 in the form and size prescribed by the Higher Education Coord-
42 inating Commission. Each agent shall carry the credential at all times while engaged as an agent
43 of the school.

44 **(2) The requirements of this section apply only to agents described in ORS 345.010 (1)(a).**

45 **SECTION 13.** 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:

[_____]

In-State Schools

<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

Out-of-State Schools

<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

[_____]

[(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.]

In-State Schools

<u>Tuition Income Range</u>	<u>Fee</u>
\$ 0 - 15,000	\$ 600
15,001 - 50,000	800
50,001 - 125,000	1,000
125,001 - 250,000	1,425
250,001 - 500,000	1,850
500,001 - 750,000	2,275
750,001 - 1,000,000	2,700
Over 1,000,000	3,125

Out-of-State Schools

<u>Tuition Income Range</u>	<u>Fee</u>
\$ 0 - 50,000	\$ 1,850
50,001 - 250,000	2,275

1	250,001 - 500,000	2,700
2	500,001 - 750,000	3,125
3	750,001 - 1,000,000	3,550
4	Over 1,000,000	3,975

(2) The State Board of Education may adopt, by rule, fees for:

(a) Teacher registrations;

(b) Copies of student transcripts maintained at the Department of Education;

(c) Submissions of applications to renew a license after the due date established by rule of the board;

(d) Submissions of payments to the Tuition Protection Fund established under ORS 345.110 after the time limits established by rule of the board; and

(e) Investigative costs incurred by the department when the department determines that the career school has violated any provision of ORS 345.010 to 345.450 or any applicable rule.

(3) In addition to any fees collected by the superintendent, the superintendent may charge the fee established by rule under ORS 181.534 for a nationwide criminal records check.

(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 14. ORS 345.080, as amended by section 28, chapter 104, Oregon Laws 2012, is amended to read:

345.080. (1) Before issuing any licenses under ORS 345.010 to 345.450, the Higher Education Coordinating Commission shall collect the following nonrefundable, annual license fees:

[_____]

In-State Schools

<u><i>Tuition Income Range</i></u>	<u><i>Fee</i></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

Out-of-State Schools

<u><i>Tuition Income Range</i></u>	<u><i>Fee</i></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

[_____]

1
2 [(2) The commission may adopt, by rule, fees for teacher registration and fees for providing copies
3 of student transcripts maintained by the commission.]

4 [(3) The commission may adopt, by rule, fees for conducting a state or nationwide criminal back-
5 ground check under ORS 181.534 and may collect fees for each criminal records check. Fees collected
6 as provided by this subsection are in addition to any other fees collected by the commission.]

8
9 **In-State Schools**

<u>Tuition Income Range</u>	<u>Fee</u>
\$ 0 - 15,000	\$ 600
15,001 - 50,000	800
50,001 - 125,000	1,000
125,001 - 250,000	1,425
250,001 - 500,000	1,850
500,001 - 750,000	2,275
750,001 - 1,000,000	2,700
Over 1,000,000	3,125

19 **Out-of-State Schools**

<u>Tuition Income Range</u>	<u>Fee</u>
\$ 0 - 50,000	\$ 1,850
50,001 - 250,000	2,275
250,001 - 500,000	2,700
500,001 - 750,000	3,125
750,001 - 1,000,000	3,550
Over 1,000,000	3,975

28
29 **(2) The commission may adopt, by rule, fees for:**

30 **(a) Teacher registrations;**

31 **(b) Copies of student transcripts maintained by the commission;**

32 **(c) Submissions of applications to renew a license after the due date established by rule
33 of the commission;**

34 **(d) Submissions of payments to the Tuition Protection Fund established under ORS
35 345.110 after the time limits established by rule of the commission; and**

36 **(e) Investigative costs incurred by the commission when the commission determines that
37 the career school has violated ORS 345.010 to 345.450 or any applicable rule.**

38 **(3) In addition to any fees collected by the commission, the commission may charge the
39 fee established by rule under ORS 181.534 for a nationwide criminal records check.**

40 (4) All fees collected under this section shall be paid to the credit of the commission. Such
41 moneys are continuously appropriated to the commission and shall be used for the administration
42 of the licensing program under ORS 345.010 to 345.450.

43 **SECTION 15.** ORS 345.080, as amended by section 28, chapter 104, Oregon Laws 2012, and
44 section 14 of this 2013 Act, is amended to read:

45 345.080. (1) Before issuing any licenses under ORS 345.010 to 345.450, the Higher Education

1 Coordinating Commission shall collect *[the following nonrefundable, annual license fees:]* **a**
 2 **nonrefundable annual license fee established by the commission by rule.**

3 [_____]

4
 5 *In-State Schools*

<u><i>Tuition Income Range</i></u>	<u><i>Fee</i></u>
\$ 0 - 15,000	\$ 600
15,001 - 50,000	800
50,001 - 125,000	1,000
125,001 - 250,000	1,425
250,001 - 500,000	1,850
500,001 - 750,000	2,275
750,001 - 1,000,000	2,700
Over 1,000,000	3,125

15 *Out-of-State Schools*

<u><i>Tuition Income Range</i></u>	<u><i>Fee</i></u>
\$ 0 - 50,000	\$ 1,850
50,001 - 250,000	2,275
250,001 - 500,000	2,700
500,001 - 750,000	3,125
750,001 - 1,000,000	3,550
Over 1,000,000	3,975

23 [_____]

24
 25 (2) The commission may adopt, by rule, fees for:

26 (a) Teacher registrations;

27 (b) Copies of student transcripts maintained by the commission;

28 (c) Submissions of applications to renew a license after the due date established by rule of the
 29 commission;

30 (d) Submissions of payments to the Tuition Protection Fund established under ORS 345.110 after
 31 the time limits established by rule of the commission; and

32 (e) Investigative costs incurred by the commission when the commission determines that the
 33 career school has violated ORS 345.010 to 345.450 or any applicable rule.

34 (3) In addition to any fees collected by the commission, the commission may charge the fee es-
 35 tablished by rule under ORS 181.534 for a nationwide criminal records check.

36 (4) All fees collected under this section shall be paid to the credit of the commission. Such
 37 moneys are continuously appropriated to the commission and shall be used for the administration
 38 of the licensing program under ORS 345.010 to 345.450.

39 **SECTION 16. (1) The amendments to ORS 345.080 by section 15 of this 2013 Act become**
 40 **operative on July 1, 2015.**

41 **(2) Until the Higher Education Coordinating Commission first adopts rules pursuant to**
 42 **ORS 345.080 as amended by section 15 of this 2013 Act, the commission may collect the an-**
 43 **ual license fees established by ORS 345.080 as amended by section 14 of this 2013 Act.**

44 **SECTION 17.** ORS 345.110 is amended to read:

45 345.110. (1) The Tuition Protection Fund is established separate and distinct from the General

1 Fund. Interest earned by the fund shall be credited to the fund. Proceeds of the fund are contin-
 2 uously appropriated to the Department of Education to protect students when a career school ceases
 3 to provide educational services and for administrative expenses incurred under subsection (5) of this
 4 section.

5 (2) The Superintendent of Public Instruction shall maintain and administer the fund, and the
 6 State Board of Education shall adopt by rule procedures governing the administration and mainte-
 7 nance of the fund, including requirements relating to contributions to and claims against the fund.

8 (3)(a) Each career school shall pay to the Tuition Protection Fund an initial capitalization de-
 9 posit in amounts and within time limits established by rule of the board. Thereafter, each school
 10 shall make installment payments based on a matrix adopted by rule of the board.

11 (b) In establishing the amount and frequency of payments, the board may consider:

12 (A) The enrollment and financial condition of each school; *[and]*

13 (B) **The financial condition of the owner of each school; and**

14 (C) Such other factors as the board considers appropriate.

15 (c) The superintendent may deny, suspend or revoke the license of a school *[which]* **that** fails
 16 to make payments or fails to conform to other requirements of this section or rules adopted by the
 17 board under this section.

18 (4) The superintendent shall deposit moneys received under this section with the State Treasurer
 19 in the Tuition Protection Fund.

20 (5) The superintendent may disburse moneys from the fund by checks or orders drawn upon the
 21 State Treasurer in conformance with rules of the board and only for tuition protection purposes,
 22 including the superintendent's costs in administering and maintaining the fund.

23 (6) The superintendent may enter into contracts to carry out the purposes of the fund. The
 24 provisions of ORS 279.835 to 279.855 and ORS chapters 279A and 279B do not apply to contracts
 25 entered into under this subsection.

26 **SECTION 18.** ORS 345.110, as amended by section 29, chapter 104, Oregon Laws 2012, is
 27 amended to read:

28 345.110. (1) The Tuition Protection Fund is established separate and distinct from the General
 29 Fund. Interest earned by the fund shall be credited to the fund. Proceeds of the fund are contin-
 30 uously appropriated to the Higher Education Coordinating Commission to protect students when a
 31 career school ceases to provide educational services and for administrative expenses incurred under
 32 subsection (5) of this section.

33 (2) The commission shall maintain and administer the fund and shall adopt by rule procedures
 34 governing the administration and maintenance of the fund, including requirements relating to con-
 35 tributions to and claims against the fund.

36 (3)(a) Each career school shall pay to the Tuition Protection Fund an initial capitalization de-
 37 posit in amounts and within time limits established by rule of the commission. Thereafter, each
 38 school shall make installment payments based on a matrix adopted by rule of the commission.

39 (b) In establishing the amount and frequency of payments, the commission may consider:

40 (A) The enrollment and financial condition of each school; *[and]*

41 (B) **The financial condition of the owner of each school; and**

42 (C) Such other factors as the commission considers appropriate.

43 (c) The commission may deny, suspend or revoke the license of a school *[which]* **that** fails to
 44 make payments or fails to conform to other requirements of this section or rules adopted by the
 45 commission under this section.

1 (4) The commission shall deposit moneys received under this section with the State Treasurer
 2 in the Tuition Protection Fund.

3 (5) The commission may disburse moneys from the fund by checks or orders drawn upon the
 4 State Treasurer in conformance with rules of the commission and only for tuition protection pur-
 5 poses, including the commission’s costs in administering and maintaining the fund.

6 (6) The commission may enter into contracts to carry out the purposes of the fund. The pro-
 7 visions of ORS 279.835 to 279.855 and ORS chapters 279A and 279B do not apply to contracts en-
 8 tered into under this subsection.

9 **SECTION 19.** ORS 345.120 is amended to read:

10 345.120. (1) On the written complaint of any person, the Superintendent of Public Instruction
 11 shall, and on the superintendent’s own motion may, investigate the actions of any career school or
 12 agent, or any person who assumes to act in either capacity within this state.

13 (2) As a result of the investigation, and in addition to any penalty that may be imposed under
 14 ORS 345.992, the superintendent may place a licensee on probation or may suspend or revoke any
 15 license issued under ORS 345.010 to 345.450 when the licensee has:

- 16 (a) Obtained a license by misrepresentation.
- 17 (b) Violated ORS 345.010 to 345.450 or any applicable rule.
- 18 (c) Ceased to engage in the business authorized by the license.
- 19 (d) Willfully used or employed any method, act or practice declared unlawful by ORS 646.608.

20 (3) When notice of suspension or revocation is issued, the licensee shall be notified and, upon
 21 request, shall be granted a contested case hearing under ORS 183.310 (2).

22 (4)(a) **A licensee placed on probation may be subjected to conditions, which may include**
 23 **prohibitions on advertising, recruiting students or enrolling students. A licensee placed on**
 24 **probation may remain in operation to complete the training of students enrolled at the ca-**
 25 **reer school on the effective date of the probation.**

26 (b) A licensee placed on probation must be formally notified by the superintendent *[that it has]*
 27 **of the conditions of probation and of the** deficiencies that must be corrected within a time spec-
 28 ified in the notice.

29 *[(5) A licensee whose license is suspended is prohibited from advertising, recruiting or enrolling*
 30 *students but may remain in operation to complete training of students enrolled on the effective date of*
 31 *the suspension.]*

32 (5) **A licensee whose license is suspended may not engage in any activities for which the**
 33 **license is required from the time the superintendent imposes the suspension until the time**
 34 **the suspension is removed.**

35 (6) A licensee whose license has been revoked is not authorized to continue in operation on and
 36 after the effective date of the revocation.

37 **SECTION 20.** ORS 345.120, as amended by section 32, chapter 104, Oregon Laws 2012, is
 38 amended to read:

39 345.120. (1) On the written complaint of any person, the Higher Education Coordinating Com-
 40 mission shall, and on the commission’s own motion may, investigate the actions of any career school
 41 or agent, or any person who assumes to act in either capacity within this state.

42 (2) As a result of the investigation, and in addition to any penalty that may be imposed under
 43 ORS 345.992, the commission may place a licensee on probation or may suspend or revoke any li-
 44 cense issued under ORS 345.010 to 345.450 when the licensee has:

- 45 (a) Obtained a license by misrepresentation.

1 (b) Violated ORS 345.010 to 345.450 or any applicable rule.

2 (c) Ceased to engage in the business authorized by the license.

3 (d) Willfully used or employed any method, act or practice declared unlawful by ORS 646.608.

4 (3) When notice of suspension or revocation is issued, the licensee shall be notified and, upon
5 request, shall be granted a contested case hearing under ORS 183.310 (2).

6 **(4)(a) A licensee placed on probation may be subjected to conditions, which may include**
7 **prohibitions on advertising, recruiting students or enrolling students. A licensee placed on**
8 **probation may remain in operation to complete the training of students enrolled at the ca-**
9 **reer school on the effective date of the probation.**

10 **(b)** A licensee placed on probation must be formally notified by the commission *[that it has]* **of**
11 **the conditions of probation and of the** deficiencies that must be corrected within a time specified
12 in the notice.

13 *[(5) A licensee whose license is suspended is prohibited from advertising, recruiting or enrolling*
14 *students but may remain in operation to complete training of students enrolled on the effective date of*
15 *the suspension.]*

16 **(5) A licensee whose license is suspended may not engage in any activities for which the**
17 **license is required from the time the commission imposes the suspension until the time the**
18 **suspension is removed.**

19 (6) A licensee whose license has been revoked is not authorized to continue in operation on and
20 after the effective date of the revocation.

21 **SECTION 21.** ORS 345.325 is amended to read:

22 345.325. The State Board of Education shall adopt by rule minimum standards for the licensing
23 of career schools under ORS 345.010 to 345.450 that are reasonably calculated to ensure that:

24 (1) The quality and content of each course or program of instruction can achieve its stated ob-
25 jective;

26 (2) The facilities, instructional equipment and materials are sufficient to enable students to
27 achieve the program goals and are adequate for the purposes of the program;

28 (3) The directors, administrators and instructors are properly qualified;

29 (4) Prior to an applicant signing an enrollment agreement, the **career** school provides the ap-
30 plicant with a catalog or brochure that includes an accurate description of the program for which
31 the applicant is enrolling, total costs of tuition and fees and other information specified by rule;

32 (5) Upon satisfactory completion of instruction and training, the student is given appropriate
33 educational credentials;

34 (6) Adequate records and standard transcripts are maintained;

35 (7) The career school is maintained and operated in compliance with all applicable ordinances
36 and laws;

37 (8) The career school, **or the owner of the career school**, is financially sound and capable of
38 fulfilling *[its]* **the school's** commitments to students;

39 (9) Neither the career school nor its agents engage in advertising, sales, collection, credit or
40 other practices of any type *[which]* **that** are unlawful under ORS 646.608;

41 (10) The directors, administrators, supervisors and instructors of the **career** school are of good
42 reputation and character, except that a school shall not be placed on probation or a license shall
43 not be denied, suspended or revoked because a faculty member has been convicted of a crime except
44 as authorized under ORS 670.280;

45 (11) Any student housing owned, maintained or approved by the career school is appropriate,

1 safe and adequate;

2 (12) The **career** school has a written placement assistance plan; and

3 (13) A license application from a new school or an application for approval of a new program
4 from an existing school shall include labor market information that identifies the need for the new
5 school or program.

6 **SECTION 22.** ORS 345.325, as amended by section 33, chapter 104, Oregon Laws 2012, is
7 amended to read:

8 345.325. The Higher Education Coordinating Commission shall adopt by rule minimum standards
9 for the licensing of career schools under ORS 345.010 to 345.450 that are reasonably calculated to
10 ensure that:

11 (1) The quality and content of each course or program of instruction can achieve its stated ob-
12 jective;

13 (2) The facilities, instructional equipment and materials are sufficient to enable students to
14 achieve the program goals and are adequate for the purposes of the program;

15 (3) The directors, administrators and instructors are properly qualified;

16 (4) Prior to an applicant signing an enrollment agreement, the **career** school provides the ap-
17 plicant with a catalog or brochure that includes an accurate description of the program for which
18 the applicant is enrolling, total costs of tuition and fees and other information specified by rule;

19 (5) Upon satisfactory completion of instruction and training, the student is given appropriate
20 educational credentials;

21 (6) Adequate records and standard transcripts are maintained;

22 (7) The career school is maintained and operated in compliance with all applicable ordinances
23 and laws;

24 (8) The career school, **or the owner of the career school**, is financially sound and capable of
25 fulfilling [*its*] **the school's** commitments to students;

26 (9) Neither the career school nor its agents engage in advertising, sales, collection, credit or
27 other practices of any type [*which*] **that** are unlawful under ORS 646.608;

28 (10) The directors, administrators, supervisors and instructors of the **career** school are of good
29 reputation and character, except that a school shall not be placed on probation or a license shall
30 not be denied, suspended or revoked because a faculty member has been convicted of a crime except
31 as authorized under ORS 670.280;

32 (11) Any student housing owned, maintained or approved by the career school is appropriate,
33 safe and adequate;

34 (12) The **career** school has a written placement assistance plan; and

35 (13) A license application from a new school or an application for approval of a new program
36 from an existing school shall include labor market information that identifies the need for the new
37 school or program.

38 **SECTION 23.** ORS 345.330 is amended to read:

39 345.330. (1) The Superintendent of Public Instruction shall appoint a representative advisory
40 committee consisting of 11 members who shall serve for terms of three years ending June 30. Of
41 the membership of the committee:

42 (a) Seven members shall be persons affiliated with career schools as owners, directors, admin-
43 istrators, instructors or representatives, but not more than one member shall represent an out-of-
44 state career school.

45 (b) Four members shall be persons who are not eligible under paragraph (a) of this subsection.

1 At least one of these members shall have graduated from a career school.

2 (2) The advisory committee appointed under subsection (1) of this section shall:

3 (a) Make recommendations to the superintendent and State Board of Education concerning the
4 need for professional and technical instructional and training facilities, the types of instruction and
5 training needed and by whom these can best be provided.

6 (b) Recommend standards for career schools as provided in ORS 345.325 which are consistent
7 with the purposes of such schools.

8 (c) Investigate and present findings to the State Board of Education on the administration and
9 operation of laws relating to career schools. However, the investigations and findings of the advi-
10 sory committee do not affect the authority of the superintendent to issue, deny, suspend or revoke
11 the license of any career school.

12 (d) Consult with the superintendent in determining the refund schedule under ORS 345.115.

13 (e) Make recommendations to the superintendent concerning [*rule development*] **rules to be**
14 **adopted by the State Board of Education** for ORS 345.010 to 345.450 and 345.992 to 345.997.

15 (3) Members of the advisory committee are entitled to compensation and expenses as provided
16 in ORS 292.495 from funds appropriated to the Department of Education for purposes of adminis-
17 tering ORS 345.010 to 345.450.

18 **SECTION 24.** ORS 345.330, as amended by section 34, chapter 104, Oregon Laws 2012, is
19 amended to read:

20 345.330. (1) The Higher Education Coordinating Commission shall appoint a representative ad-
21 visory committee consisting of 11 members who shall serve for terms of three years ending June 30.
22 Of the membership of the committee:

23 (a) Seven members shall be persons affiliated with career schools as owners, directors, admin-
24 istrators, instructors or representatives, but not more than one member shall represent an out-of-
25 state career school.

26 (b) Four members shall be persons who are not eligible under paragraph (a) of this subsection.
27 At least one of these members shall have graduated from a career school.

28 (2) The advisory committee appointed under subsection (1) of this section shall:

29 (a) Make recommendations to the commission concerning the need for professional and technical
30 instructional and training facilities, the types of instruction and training needed and by whom these
31 can best be provided.

32 (b) Recommend standards for career schools as provided in ORS 345.325 which are consistent
33 with the purposes of such schools.

34 (c) Investigate and present findings to the commission on the administration and operation of
35 laws relating to career schools. However, the investigations and findings of the advisory committee
36 do not affect the authority of the commission to issue, deny, suspend or revoke the license of any
37 career school.

38 (d) Consult with the commission in determining the refund schedule under ORS 345.115.

39 (e) Make recommendations to the commission concerning [*rule development*] **rules to be adopted**
40 **by the commission** for ORS 345.010 to 345.450 and 345.992 to 345.997.

41 (3) Members of the advisory committee are entitled to compensation and expenses as provided
42 in ORS 292.495 from funds appropriated to the commission for purposes of administering ORS 345.010
43 to 345.450.

44 **SECTION 25.** ORS 345.400 is amended to read:

45 345.400. In addition to the other requirements of ORS 345.010 to 345.450, the rules adopted by

1 the State Board of Education to regulate schools teaching hair design, barbering, esthetics or nail
 2 technology:

3 (1) May include rules the board considers necessary to protect the economic or physical health
 4 and safety of the public and of the students attending the school including compliance with ORS
 5 345.110.

6 (2) Shall include rules that set standards for teachers teaching in schools licensed to teach hair
 7 design, barbering, esthetics or nail technology pursuant to ORS 345.010 to 345.450.

8 (3) Shall require the schools to teach, and require for graduation from the school, courses that
 9 meet the following minimum standards:

10 (a)(A) A minimum hourly training requirement for:

11 (i) Hair design, 1,450 hours;

12 (ii) Barbering, 1,100 hours;

13 (iii) Esthetics, 250 hours; and

14 (iv) Nail technology, 350 hours; and

15 (B) In addition to the programs listed in this subsection, a student is also required to success-
 16 fully complete the following requirements once:

17 (i) Safety and sanitation, 150 hours; and

18 (ii) Career development, 100 hours.

19 (b) A student [*competency-based*] **proficiency-based** training requirement for hair design, bar-
 20 bering, esthetics or nail technology, if the school has developed written requirements for graduation
 21 that are approved by the Superintendent of Public Instruction.

22 **SECTION 26.** ORS 345.400, as amended by section 36, chapter 104, Oregon Laws 2012, is
 23 amended to read:

24 345.400. In addition to the other requirements of ORS 345.010 to 345.450, the rules adopted by
 25 the Higher Education Coordinating Commission to regulate schools teaching hair design, barbering,
 26 esthetics or nail technology:

27 (1) May include rules the commission considers necessary to protect the economic or physical
 28 health and safety of the public and of the students attending the school including compliance with
 29 ORS 345.110.

30 (2) Shall include rules that set standards for teachers teaching in schools licensed to teach hair
 31 design, barbering, esthetics or nail technology pursuant to ORS 345.010 to 345.450.

32 (3) Shall require the schools to teach, and require for graduation from the school, courses that
 33 meet the following minimum standards:

34 (a)(A) A minimum hourly training requirement for:

35 (i) Hair design, 1,450 hours;

36 (ii) Barbering, 1,100 hours;

37 (iii) Esthetics, 250 hours; and

38 (iv) Nail technology, 350 hours; and

39 (B) In addition to the programs listed in this subsection, a student is also required to success-
 40 fully complete the following requirements once:

41 (i) Safety and sanitation, 150 hours; and

42 (ii) Career development, 100 hours.

43 (b) A student [*competency-based*] **proficiency-based** training requirement for hair design, bar-
 44 bering, esthetics or nail technology, if the school has developed written requirements for graduation
 45 that are approved by the commission.

1 **SECTION 27.** This 2013 Act being necessary for the immediate preservation of the public
2 peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect
3 July 1, 2013.

4
