

HB 2701-4
(LC 2070)
4/12/17 (DRG/ps)

Requested by HOUSE COMMITTEE ON HIGHER EDUCATION AND WORKFORCE DEVELOPMENT

**PROPOSED AMENDMENTS TO
HOUSE BILL 2701**

1 On page 1 of the printed bill, line 3, delete “345.995” and insert
2 “345.325”.

3 Delete lines 5 through 31 and delete pages 2 and 3 and insert:

4 **“SECTION 1.** ORS 345.120 is amended to read:

5 “345.120. (1) On the written complaint of any person, the Higher Educa-
6 tion Coordinating Commission shall, and on the commission’s own motion
7 may, investigate the actions of any career school or agent, or any person
8 who assumes to act in either capacity within this state.

9 “(2) As a result of the investigation, and in addition to any penalty that
10 may be imposed under ORS 345.992, the commission may [*place a licensee on*
11 *probation*] **issue a notice for corrective action** or may suspend or revoke
12 any license issued under ORS 345.010 to 345.450 when the licensee has:

13 “(a) Obtained a license by misrepresentation.

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

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

16 “(d) Willfully used or employed any method, act or practice declared un-
17 lawful by ORS 646.608.

18 “(3) When notice of suspension or revocation is issued, the licensee shall
19 be notified and, upon request, shall be granted a contested case hearing un-
20 der ORS 183.310 (2).

21 “(4) A licensee [*placed on probation*] **that is issued a notice for cor-**

1 **rective action** must be formally notified by the commission that it has de-
2 ficiencies that must be corrected within a time specified in the notice.

3 “(5) A licensee whose license is suspended is prohibited from advertising,
4 recruiting or enrolling students but may remain in operation to complete
5 training of students enrolled on the effective date of the suspension.

6 “(6) A licensee whose license has been revoked is not authorized to con-
7 tinue in operation on and after the effective date of the revocation.

8 **“SECTION 2.** ORS 345.030 is amended to read:

9 “345.030. (1) A person may not open, conduct or do business as a career
10 school in this state without obtaining a license under ORS 345.010 to 345.450.

11 “(2) Except as provided in subsection (8) of this section, the Higher Edu-
12 cation Coordinating Commission may issue a license to conduct a career
13 school only after the applicant has presented proof satisfactory to the com-
14 mission that the applicant complies with applicable standards adopted under
15 ORS 345.325 and 670.280. For the purpose of this subsection, ORS 670.280
16 applies to individuals who hold positions of authority or control in the op-
17 eration of the school and to its faculty members and agents.

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

21 “(4) In determining whether to issue a license to a career school, the
22 commission may consider the prior history of the applicant in operating
23 other career schools. The prior history of operating other career schools in-
24 cludes, but is not limited to:

25 “(a) Conduct by the applicant that is cause for [*probation of a licensee*]
26 **a notice of corrective action** or for suspension or revocation of a license
27 as provided in ORS 345.120 (2);

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

30 “(c) The history of the applicant in operating career schools in other

1 states.

2 “(5) The commission may not issue a license to or renew the license of a
3 career school until the applicant provides all of the following to the com-
4 mission:

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

7 “(b) Proof of compliance with the tuition protection policy established by
8 the commission pursuant to ORS 345.110; and

9 “(c) Fingerprints of individuals as described in subsection (6) of this sec-
10 tion.

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

17 “(b) In addition to requirements provided under paragraph (a) of this
18 subsection, the commission may require a career school to provide the fin-
19 gerprints of any agents of the school who will have contact with persons
20 under 18 years of age on behalf of the career school.

21 “(c) An applicant is not required to provide fingerprints under paragraph
22 (a) or (b) of this subsection if the commission has conducted a state or na-
23 tionwide criminal records check on the person within the three years pre-
24 ceding the date of the application.

25 “(d) Fingerprints acquired under this subsection may be used only for the
26 purpose of requesting a state or nationwide criminal records check under
27 ORS 181A.195.

28 “(7) Notwithstanding ORS 345.325 (10), the commission may [*place a school*
29 *on probation*] **issue a notice for corrective action** or deny, suspend or re-
30 voke a license if the commission finds that an individual who holds a posi-

1 tion of authority or control in the operation of the school was convicted of
2 a crime listed in ORS 342.143.

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

8 “(9)(a) Except as provided in paragraph (b) of this subsection, a career
9 school license is nontransferable. The licensee must give 30 days of notice
10 to the commission when transferring ownership of a career school.

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

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

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

16 “(10) Each career school shall display its license in a prominent place.

17 **“SECTION 3.** ORS 345.325 is amended to read:

18 “345.325. The Higher Education Coordinating Commission shall adopt by
19 rule minimum standards for the licensing of career schools under ORS
20 345.010 to 345.450 that are reasonably calculated to ensure that:

21 “(1) The quality and content of each course or program of instruction can
22 achieve its stated objective;

23 “(2) The facilities, instructional equipment and materials are sufficient to
24 enable students to achieve the program goals and are adequate for the pur-
25 poses of the program;

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

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

1 “(5) Upon satisfactory completion of instruction and training, the student
2 is given appropriate educational credentials;

3 “(6) Adequate records and standard transcripts are maintained;

4 “(7) The career school is maintained and operated in compliance with all
5 applicable ordinances and laws;

6 “(8) The career school is financially sound and capable of fulfilling its
7 commitments to students;

8 “(9) Neither the career school nor its agents engage in advertising, sales,
9 collection, credit or other practices of any type which are unlawful under
10 ORS 646.608;

11 “(10) The directors, administrators, supervisors and instructors of the
12 school are of good reputation and character, except that a school shall not
13 be [*placed on probation*] **issued a notice for corrective action** or a license
14 shall not be denied, suspended or revoked because a faculty member has been
15 convicted of a crime except as authorized under ORS 670.280;

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

18 “(12) The school has a written placement assistance plan; and

19 “(13) A license application from a new school or an application for ap-
20 proval of a new program from an existing school shall include labor market
21 information that identifies the need for the new school or program.

22 **“SECTION 4. The amendments to ORS 345.030, 345.120 and 345.325**
23 **by sections 1 to 3 of this 2017 Act apply to any action taken by the**
24 **Higher Education Coordinating Commission with respect to a career**
25 **school or agent on or after the effective date of this 2017 Act.”.**

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