

SECOND REGULAR SESSION

HOUSE BILL NO. 2792

102ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE WILSON.

5650H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 173.612 and 173.616, RSMo, and to enact in lieu thereof two new sections relating to proprietary schools.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 173.612 and 173.616, RSMo, are repealed and two new sections
2 enacted in lieu thereof, to be known as sections 173.612 and 173.616, to read as follows:

173.612. 1. The board shall, through the department of higher education and
2 workforce development, administer, supervise, and enforce the provisions and policies of
3 sections 173.600 to 173.618 and shall assign the personnel that are necessary to exercise its
4 powers and duties.

5 2. The rules and regulations adopted by the board under sections 173.600 to 173.618,
6 together with any amendments thereto, shall be filed with the office of the secretary of state.
7 The board may:

8 (1) Issue proprietary school certificates of approval or temporary certificates of
9 approval to applicants meeting the requirements of sections 173.600 to 173.618;

10 (2) Suspend or revoke certificates or temporary certificates of approval, or place
11 certified schools on probation;

12 (3) Require each proprietary school to file a security bond **with the board, through**
13 **the department of higher education and workforce development**, covering the school and
14 its agents to indemnify any student, enrollee or parent, guardian, or sponsor of a student or
15 enrollee who suffers loss or damage because of a violation of sections 173.600 to 173.618 by
16 the school, or because a student is unable to complete ~~the~~ **a course or program** due to the
17 school's ceasing operation or because a student does not receive a refund to which ~~he~~ **such**

EXPLANATION — Matter enclosed in bold-faced brackets ~~thus~~ in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 student is entitled. **In the event a student, enrollee, or parent, guardian, or sponsor of a**
19 **student or enrollee suffers loss or damage because of a violation of sections 173.600 to**
20 **173.618 by the school, or a student is unable to complete a course or program due to the**
21 **school ceasing operations, or because a student does not receive a refund to which such**
22 **student is entitled, the school shall forfeit the entirety of the security bond to the**
23 **department and the department shall use proceeds to indemnify students and to secure**
24 **and administer student records as appropriate.** The bond or other security shall cover all
25 the facilities and locations of a proprietary school and shall not be less than five thousand
26 dollars or ten percent of the preceding year's gross tuition, whichever is greater, but in no case
27 shall it exceed one hundred thousand dollars. The bond shall clearly state that the school and
28 the agents of the school are covered by it. The board may authorize the use of certificates of
29 deposit, letters of credit, or other assets to be posted as security in lieu of this surety bond
30 requirement;

31 (4) Collect only that data from certified proprietary schools necessary to administer,
32 supervise, and enforce the provisions of sections 173.600 to 173.619. The department shall,
33 subject to appropriations, provide a system to electronically submit all data;

34 (5) Review proposals for new programs within ninety days from the date that a
35 certified school submits a new program for review, and review proposals for revised programs
36 within sixty days from the date that a certified school submits a revised program for review.
37 If the department fails to review a proposal for a new or revised program within the
38 prescribed time frame, the school shall be permitted to offer the program until the department
39 completes its review and identifies a substantive issue or issues that need correction. In such
40 case the department shall notify the school within an additional ninety days and the school
41 shall then have ninety days from the date it is informed that a program offering has a
42 deficiency to correct the deficiency without having to cease offering the program;

43 (6) Administer sections 173.600 to 173.618 and initiate action to enforce it.

44 3. Any school ~~[which]~~ **that** closes or whose certificate of approval is suspended,
45 revoked, or not renewed shall, on the approval of the coordinating board, make partial or full
46 refund of tuition and fees to the students enrolled, continue operation under a temporary
47 certificate until students enrolled have completed the program for which they were enrolled,
48 make arrangements for another school or schools to complete the instruction for which the
49 students are enrolled, employ a combination of these methods in order to fulfill its obligations
50 to the students, or implement other plans approved by the coordinating board.

51 4. Any rule or portion of a rule promulgated pursuant to sections 173.600 to 173.618
52 may be suspended by the joint ~~[house-senate]~~ committee on administrative rules until such
53 time as the general assembly may by concurrent resolution signed by the governor reinstate
54 such rule.

173.616. 1. The following schools, training programs, and courses of instruction shall be exempt from the provisions of sections 173.600 to 173.618:

(1) A public institution;

(2) Any college or university represented directly or indirectly on the advisory committee of the coordinating board for higher education as provided in subsection 3 of section 173.005;

(3) An institution that is certified by the board as an approved private institution under subdivision (2) of subsection 1 of section 173.1102;

(4) A not-for-profit religious school that is accredited by the American Association of Bible Colleges, the Association of Theological Schools in the United States and Canada, or a regional accrediting association, such as the North Central Association, which is recognized by the Council on Postsecondary Accreditation and the United States Department of Education; and

(5) Beginning July 1, 2008, all out-of-state public institutions of higher education, as such term is defined in subdivision (14) of subsection 2 of section 173.005.

2. The coordinating board shall exempt the following schools, training programs and courses of instruction from the provisions of sections 173.600 to 173.618:

(1) A not-for-profit school owned, controlled, and operated by a bona fide religious or denominational organization ~~which~~ **that** offers no programs or degrees and grants no degrees or certificates other than those specifically designated as theological, bible, divinity, or other religious designation;

(2) A not-for-profit school owned, controlled, and operated by a bona fide eleemosynary organization ~~which~~ **that** provides instruction with no financial charge to its students and at which no part of the instructional cost is defrayed by or through programs of governmental student financial aid, including grants and loans, provided directly to or for individual students;

(3) A school ~~which~~ **that** offers instruction only in subject areas ~~which~~ **that** are primarily for avocational or recreational purposes as distinct from courses to teach employable, marketable knowledge or skills, ~~which~~ **that** does not advertise occupational objectives, and ~~which~~ **that** does not grant degrees;

(4) A course of instruction~~;~~ **or** study or a training program sponsored by an employer for the training and preparation of its own employees **or a course of instruction or study or a training program offered by a training provider as part of a registered apprenticeship, as approved by the United States Department of Labor;**

(5) A course of study or instruction conducted by a trade, business, or professional organization with a closed membership where participation in the course is limited to bona fide members of the trade, business, or professional organization, or a course of instruction

38 for persons in preparation for an examination given by a state board or commission where the
39 state board or commission approves that course and school;

40 (6) A school or person whose clientele are primarily students aged sixteen or under;

41 (7) A yoga teacher training course, program, or school.

42 3. A school ~~[which]~~ **that** is otherwise licensed and approved under ~~[and pursuant to]~~
43 any other licensing law of this state shall be exempt from sections 173.600 to 173.618, but a
44 state certificate of incorporation shall not constitute licensing for the purpose of sections
45 173.600 to 173.618.

46 4. Any school, training program, or course of instruction exempted herein may elect
47 by majority action of its governing body or by action of its director to apply for approval of
48 the school, training program, or course of instruction under the provisions of sections 173.600
49 to 173.618. Upon application to and approval by the coordinating board, such school,
50 training program, or course of instruction may become exempt from the provisions of sections
51 173.600 to 173.618 at any subsequent time, except the board shall not approve an application
52 for exemption if the approved school is then in any status of noncompliance with certification
53 standards and a reversion to exempt status shall not relieve the school of any liability for
54 indemnification or any penalty for noncompliance with certification standards during the
55 period of the school's approved status.

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