

SENATE BILL NO. 690

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR GREGORY (21).

2702S.01H

KRISTINA MARTIN, Secretary

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
2 repealed and two new sections enacted in lieu thereof, to be
3 known as sections 173.612 and 173.616, to read as follows:

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

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

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

13 (2) Suspend or revoke certificates or temporary
14 certificates of approval, or place certified schools on
15 probation;

16 (3) Require each proprietary school to file a security
17 bond **with the board, through the department of higher**
18 **education and workforce development**, covering the school and

EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

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

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

51 (5) Review proposals for new programs within ninety
52 days from the date that a certified school submits a new
53 program for review, and review proposals for revised
54 programs within sixty days from the date that a certified
55 school submits a revised program for review. If the
56 department fails to review a proposal for a new or revised
57 program within the prescribed time frame, the school shall
58 be permitted to offer the program until the department
59 completes its review and identifies a substantive issue or
60 issues that need correction. In such case the department
61 shall notify the school within an additional ninety days and
62 the school shall then have ninety days from the date it is
63 informed that a program offering has a deficiency to correct
64 the deficiency without having to cease offering the program;

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

67 3. Any school which closes or whose certificate of
68 approval is suspended, revoked, or not renewed shall, on the
69 approval of the coordinating board, make partial or full
70 refund of tuition and fees to the students enrolled,
71 continue operation under a temporary certificate until
72 students enrolled have completed the program for which they
73 were enrolled, make arrangements for another school or
74 schools to complete the instruction for which the students
75 are enrolled, employ a combination of these methods in order
76 to fulfill its obligations to the students, or implement
77 other plans approved by the coordinating board.

78 4. Any rule or portion of a rule promulgated pursuant
79 to sections 173.600 to 173.618 may be suspended by the joint
80 house-senate committee on administrative rules until such
81 time as the general assembly may by concurrent resolution
82 signed by the governor reinstate such rule.

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

4 (1) A public institution;

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

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

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

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

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

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

31 (2) A not-for-profit school owned, controlled and
32 operated by a bona fide eleemosynary organization which

33 provides instruction with no financial charge to its
34 students and at which no part of the instructional cost is
35 defrayed by or through programs of governmental student
36 financial aid, including grants and loans, provided directly
37 to or for individual students;

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

43 (4) A course of instruction, study or training program
44 sponsored by an employer for the training and preparation of
45 its own employees;

46 (5) **A course of instruction, study, or training**
47 **program offered by a training provider as part of a**
48 **registered apprenticeship, as approved by the United States**
49 **Department of Labor, or a course of instruction, study, or**
50 **training program offered by a training provider as part of a**
51 **pre-apprenticeship approved by the office of workforce**
52 **development in the department of higher education and**
53 **workforce development as determined in reference to**
54 **standards promulgated by such department;**

55 (6) A course of study or instruction conducted by a
56 trade, business or professional organization with a closed
57 membership where participation in the course is limited to
58 bona fide members of the trade, business or professional
59 organization, or a course of instruction for persons in
60 preparation for an examination given by a state board or
61 commission where the state board or commission approves that
62 course and school;

63 [(6)] (7) A school or person whose clientele are
64 primarily students aged sixteen or under;

65 [(7)] (8) A yoga teacher training course, program, or
66 school.

67 3. A school which is otherwise licensed and approved
68 under and pursuant to any other licensing law of this state
69 shall be exempt from sections 173.600 to 173.618, but a
70 state certificate of incorporation shall not constitute
71 licensing for the purpose of sections 173.600 to 173.618.

72 4. Any school, training program or course of
73 instruction exempted herein may elect by majority action of
74 its governing body or by action of its director to apply for
75 approval of the school, training program or course of
76 instruction under the provisions of sections 173.600 to
77 173.618. Upon application to and approval by the
78 coordinating board, such school training program or course
79 of instruction may become exempt from the provisions of
80 sections 173.600 to 173.618 at any subsequent time, except
81 the board shall not approve an application for exemption if
82 the approved school is then in any status of noncompliance
83 with certification standards and a reversion to exempt
84 status shall not relieve the school of any liability for
85 indemnification or any penalty for noncompliance with
86 certification standards during the period of the school's
87 approved status.

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