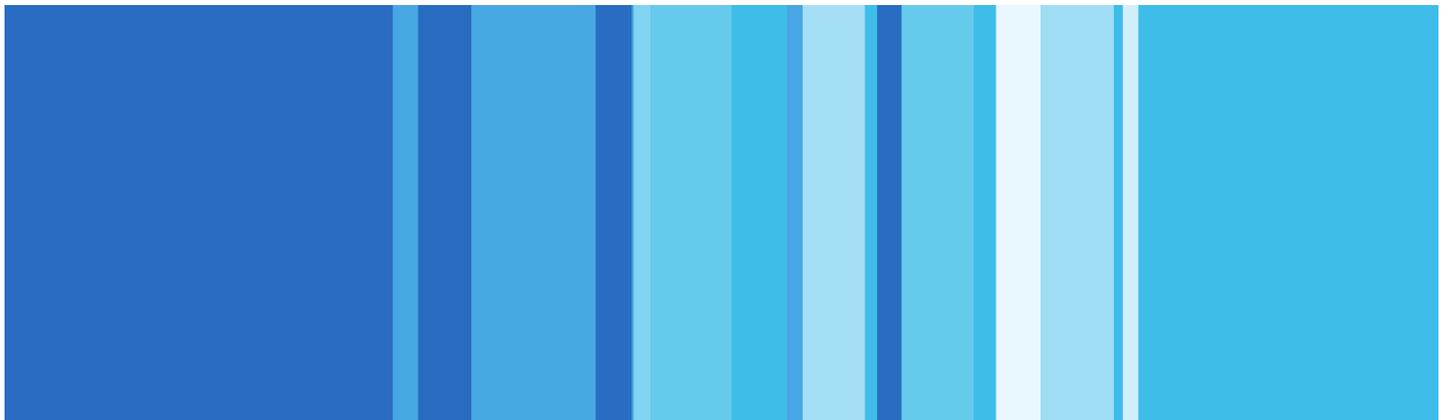


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Recommendations to Revise the Regulation of Private Post- Secondary Institutions



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About the Minnesota Office of Higher Education

The Minnesota Office of Higher Education is a cabinet-level state agency providing students with financial aid programs and information to help them gain access to post-secondary education. The agency serves as the state's clearinghouse for data, research and analysis on post-secondary enrollment, financial aid, finance and trends.

The Minnesota State Grant Program, which is administered by the agency, is a need-based tuition assistance program for Minnesota students. The agency oversees tuition reciprocity programs, a student loan program, Minnesota's 529 College Savings Program, licensing and an early awareness outreach initiative for youth. Through collaboration with systems and institutions, the agency assists in the development of the state's education technology infrastructure and shared library resources.

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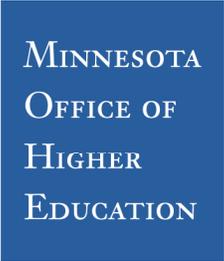
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Introduction

The purpose of this report is to summarize the Minnesota Office of Higher Education's work to develop recommendations to revise the regulation of private post-secondary institutions in Minnesota and public postsecondary institutions located outside of Minnesota that offer instruction to residents in Minnesota pursuant to Minnesota Statutes Chapter 141 and Minnesota Statutes section 136A.61 to 136A.71.

In 2005 private career schools through the Minnesota Career College Association proposed a plan to amend current laws to permit institutions that were authorized to grant associate and/or higher degrees to become registered institutions pursuant to Minnesota Statutes 136A.61 to 136A.71. This proposal resulted in the Minnesota Legislature directing the Office of Higher Education to:

“Convene a working group to develop recommendations to revise the regulation under Minnesota Statutes 136A.61 to 136A.71, and chapter 141, or private and out-of-state postsecondary institutions that offer instruction in Minnesota or to Minnesota residents who are not required to leave the state.”

After careful review and consultation, the Office of Higher Education drafted a revision that would merge the two statutes (Draft #10 Exhibit B). However, upon further consideration, the agency is recommending a two step process:

- Minimum amendments to the existing statutes;
- Completely revise the two statutes into one new statute, to begin immediately, for consideration by the 2007 session of the Minnesota Legislature.

Complete recommendations are outlined on page 5.

Background

There are currently two sets of laws regulating private and out of state public post secondary institutions, Minnesota Statutes Chapter 141 (Private Career School Act) and Minnesota Statutes 136A.61 to 136A.71 (Private Institution Registration). The primary purpose of these laws is to provide consumer protection to Minnesota students attending non-public institutions or who are enrolled in institutions that are not based in the state.

The Private Career School Act requires all private for-profit career schools within or outside the state, which maintain, advertise, solicit for, or conduct any program and any level to be licensed. Exemptions to licensure are granted to schools registered under Minn. Stat. 136A.61 to 136A.71, schools licensed by specialty or professional boards, schools offering exclusively baccalaureate or graduate programs, and for a number of other schools specifically exempted by statute. (See Minn. Stat. 141.35 Subds 1 to 18)

Private institution registration requires all private not-for-profit institutions operating in Minnesota that are non-profit, or that grant degrees or that use the terms, “academy”, “college”, “institute”, or “university” in their name to register. The law applies to out-of-state public post-secondary institutions operating in Minnesota and to for-profit institutions that provide continuing education in Minnesota that is intended to allow individuals to maintain an occupational license. The law also applies to for-profit institutions offering exclusively baccalaureate or graduate programs. Fees for licensing and registration are set by the Minnesota Office of Higher Education with approval by the Legislature. Fees are based on the premise regulation of post-secondary institutions are a self-supporting function.

Process

In June of 2005 the Office of Higher Education asked all licensed and registered schools to notify the agency if they were interested in participating in a “Working Group” to look at the existing private school regulatory statutes. Thirty-five schools asked to participate and all were invited to take part. During summer and fall 2005 this Working Group met on three different occasions (7/13/2005, 8/24/2005 and 10/11/2005). The schools represented in these meetings were a cross section of the licensed and registered schools, including schools with short programs, schools providing training in very specific “niche” programs, schools with diploma and certificate programs, and schools with doctoral programs. (A complete list of the participants is attached.) The following is a representation of those participating in the Working Group:

- representatives from the 35 Licensed or Registered institutions,
- representatives from the Private College Council,
- representatives from the Minnesota Career College Association, and
- a student representative

In addition, a smaller working group met on August 8, 2005 to more closely examine the current statutes and their language and propose changes or additions.

The Office of Higher Education considered the information provided in these meetings, as well as written comments received by the agency from the schools. This information became the basis for a proposed new statute. A number of drafts of a possible new statute were prepared and circulated among the Working Group members. As these drafts evolved and more questions and suggestions were received, the agency attempted to address and/or accommodate most of the suggestions made by the institutions, as long as they were consistent with regulatory needs and consumer protection concerns. The last draft presented to the schools, Draft #10 of the “Private and Out of State Post Secondary Registration Act”, was also sent to all registered and licensed institutions that had chosen not to participate in the Working Group.

Copies of Draft #10 of the proposed legislation were also provided to Minnesota House and Senate legislative staff. George Roedler and Tricia Grimes of the Minnesota Office of Higher Education met with legislative staff to discuss the new statute draft. (Copy of Draft #10 attached)

The initial concept was to make minimal changes in the existing statutes to permit approximately 20 degree-granting private institutions to be registered as private institutions pursuant to Minnesota Statutes 136A.61 to 136A.71. A degree-granting institution is defined as any institution approved to grant an associate degree or higher. The current draft of the revised statute (Draft #10) was an attempt to merge the language of the two existing statutes, the Minnesota Statutes Chapter 141 (Private Career School Act) and Minnesota Statutes 136A.61 to 136A.71 (Private Institution Registration -PIR). These statutes have some similar requirements, but in many ways they are very different.

Issues Identified

The Working Group reviewed the current regulatory statutes and discussed their content, purpose and the possibility of revising them to reflect current needs and the changes in higher education that have occurred over the past several years. Throughout the review process, there appeared to be general agreement that both of the statutes regulating private and out-of-state higher education institutions were outdated. There was also general agreement that it would be preferable to have all higher education institutions governed by a single statute, and that in such regulation, similar institutions should be regulated in a consistent manner regardless of their for-profit or not-for-profit tax status.

The Working Group identified a number of concerns with the current statutes:

Outdated School Categories: In both statutes the mixture of schools that are under each statute is problematic. The list of “Registered Institutions” currently includes degree granting not-for-profit institutions, some of the degree-granting for-profit institutions and some not-for-profit institutions that do not grant degrees, as well as institutions, both for profit and not for profit that are registered only because they use “academy”, “institute”, “college”, or “university” in their names. Schools licensed pursuant to Minnesota Statutes Chapter 141 include small vocational schools that provide very specific, limited, and/or short term training such as the “piano tuning school” and “auctioneering school”, as well as schools that confer masters and doctoral degrees in a variety of subject areas.

Inconsistent Regulation of Schools: Schools providing the same or very similar educational opportunities often to similar types of students are regulated by statutes which are in many ways very different. These schools often pay substantially different fees depending on whether they are licensed or registered, even when their programs are similar in length and content.

Statutory Language: The language in both statutes is often archaic and out of date with the current state of higher education in Minnesota and nationally.

Inconsistent and Redundant Licensing: Post secondary schools in Minnesota are licensed by several different boards or agencies often depending on the subject matter they teach. There are cosmetology schools that are generally required to be licensed by the Board of Cosmetology and Barber Examiners that are also licensed or registered by the Office of Higher Education. For example, cosmetology schools must also be licensed by the Office of Higher Education if they have non-cosmetology programs. Other cosmetology schools must be registered with the Office of Higher Education if they use the terms “college”, “university”, “academy” and/or “institute” in their name. Thus cosmetology schools are both licensed and registered by the Office of Higher Education and others are licensed only by the Board of Cosmetology and Barber Examiners. Other post secondary schools such as in state truck driving schools and aviation/flying schools are regulated by still other state agencies.

Recommendations

The Office of Higher Education has concluded that merging the two existing statutes to create a single statute that would regulate all private and out-of-state postsecondary institutions, while certainly possible, may not be the best way to address the needed changes. Furthermore, it would be difficult to complete during the 2006 legislative session.

The agency recommends drafting an entirely new regulatory statute for private and out-of state public institutions. An entirely new statute created with awareness of the current status of higher education in Minnesota and nationwide could better address new and growing areas of higher education, such as the many online schools and programs now available to Minnesota residents.

The Office of Higher Education recommends starting the process for an entire rewrite of this legislation now, for consideration during the 2007 legislative session. Preparing for an entirely new statute in the 2007 session will allow time for a full and thorough review and consideration of the current status of all private and out-of-state higher education in Minnesota and nationwide, the need for its regulation, the need for consumer protection, and the best manner to address these and other concerns that may arise.

As a first step, the agency recommends making minimal amendments in the two existing statutory sections now, that would result in having all “Degree Granting” institutions (those offering an Associate Degree or higher) regulated by the current registration (PIR) statute and all “non-degree-granting” institutions that are currently licensed or registered, licensed pursuant to Chapter 141. This could be accomplished with relatively minor changes to both Chapter 141 and Minnesota Statutes 136A.61 to 136A.71. The result would be to group similar schools together under similar regulations which would be one of the main goals of the overall rewrite of the existing regulatory statutes.

This would then allow for the complete and comprehensive review of existing laws and the creation of a completely new statute or statutes for all higher education being provided to the residents of the State of Minnesota.

Exhibit A

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Exhibit B

Working Group Draft #10 Combined Statutes

1. Title/Citation: Private and Out of State Postsecondary Registration Act

2. Policy: The legislature has found and hereby declares that the availability of legitimate courses and programs of instruction for the purpose of vocational training or employment purposes and/or leading to academic degrees offered by responsible private institutions of post-secondary education and the existence of legitimate private colleges and universities and other postsecondary schools and training providers are in the best interests of the people of this state. The legislature has found and declares that the state can provide assistance and protection for persons choosing private institutions and programs, by establishing policies and procedures to assure the authenticity and legitimacy of private post-secondary education institutions and programs. The legislature has also found and declares that this same policy applies to any public post-secondary educational institution located in another state or country which offers or makes available to a Minnesota resident any course, program or educational activity which does not require the leaving of the state for a majority of a course or program in order to complete it.

3. Definitions:

Words, terms and phrases. The following words, terms and phrases shall have the meaning ascribed to them in this section:

- a. Office. "Office" means the Minnesota Office of Higher Education
- b. School. "School" means any individual, partnership, company, firm, society, trust, association, corporation, or any combination thereof, which (a) is, owns, or operates a private post-secondary education institution; (b) is, owns, or operates a private post-secondary education institution which uses the term "college", "academy", "institute", or "university" in its name; or (c) provides a post-secondary instructional program or course of instruction for vocational or employment training purposes, or provides a post-secondary instructional program or course of instruction leading to an Associate or higher degree. School shall also mean any public post-secondary educational institution located in another state or country which offers or makes available to a Minnesota resident any course, program or educational activity which does not require the leaving of the state for a majority of a course or program in order to complete it, and any organization that contracts with any school located within the state of Minnesota for the purpose of providing educational program, training programs, or to award post secondary credits or continuing education credits to Minnesota residents.
- c. Degree. "Degree" means any award given by a school for completion of a program leading to the following: Associate of Arts Degree, Associate of Science Degree, Associate in Applied Science Degree, Bachelor Degree, Masters Degree, or Doctorate Degree.
- d. Formal Recognition. Any recognition granted by a school including but not necessarily limited to: Diplomas, Certificates, and/or Letters of Completion.

e. Records. "Records" means those school documents and files containing student data relating to student name, address, student identification number, academic credits, grades, degrees awarded, periods of attendance, and such other matters as the office shall require.

f. Solicitor. "Solicitor" means a person who for a salary or for commission, acts as an agent, independent contractor, salesperson, or counselor in recruiting students for a class or program using any method, at any place except on the actual business premises of the school, other than only providing public information at the invitation or permission of a school, educational, or civic organization where no actual enrollment or enrollment document preparation occurs.

g. Multiple Location. "Multiple Location" means: 1) any site where classes and administrative services are provided, 2) which has a street address that is different than the street address found on the school's registration application, and 3) which is not a part of a recognized and identifiable campus or campus area. Any location as described above in excess of one quarter mile from the main campus mailing address shall be presumed to be a multiple location. A location used only as a classroom site or as a corporate or business office site where no direct student services are provided or classes held shall not be considered a multiple a location.

h. Person. "Person" means any individual, partnership, company, firm, society, trust, association, corporation, or limited liability company or any combination thereof.

i. Course. "Course" means any classroom or distance instruction; any subunit of a program; or any combination thereof.

j. Placement Service. "Placement Service" means a service offered, inferred or advertised by a school for the purpose of actively assisting the students in obtaining employment, including, but not limited to the following: by directly contacting prospective employers, arranging for employment interviews, assisting students and/or graduates with the preparation of resumes and/or job applications. Placement service shall not include "employment" or "job" bulletin boards, including electronic boards, or similar notices.

k. Program. "Program" means any course or grouping of courses that is advertised or listed in a school's catalog, brochures, electronic display, or other publications or advertising, or for which the school grants a degree or formal recognition, or the successful completion of which leads to certification that is for employment purposes.

l. Distance Education School. "Distance Education School" means a school that establishes, keeps, or maintains a facility or location where a program is offered through distance instruction.

m. Distance Instruction. "Distance Instruction" means any method of instruction outside the traditional in-classroom instruction, including, but not limited to, the use of the United State mail and other correspondence; Internet and other on-line computer-based education; CD-ROM; or other self instruction methods.

n. Electronic Display. "Electronic Display" means text, images, or sound rendered via any electronic device designed to present information, whether generated by the device or transmitted from another source.

o. Instate School. “Instate School” means a school that occupies a physical classroom and/or administrative location within the State of Minnesota at or from which students are given instruction and/or administrative services.

p. Out of State School. “Out of State School” means a school that has no physical presence in the State of Minnesota, as determined by the office, but offers programs to state residents, either in state or outside the state, through solicitors or direct mailings or other direct contacts.

q. Non-permanent School. “Non-permanent School” means a school that offers non-exempt training or degree programs in Minnesota on an occasional basis without establishing a permanent or semi-permanent classroom or administrative site in Minnesota.

r. Substantiated Complaint . Substantiated Complaint means a complaint received by the Office that has resulted in an Sanction by the Office including an administrative fine and/or the suspension, revocation or other action by the Office to limit a school’s operation due to a violation of the provisions of this statute. but shall not include any penalty for the late filing of applications, renewals or other related documents.

s. Sanction. “Sanction” means any action by the Office to levy an administrative penalty or to suspend, revoke or otherwise limit a school’s operation due to a violation or violations of the provisions of this statute.

t. Term. “Term” means the period of instruction used by a school and shall include but not necessarily be limited to the following: quarter, semester, trimester, program, or course.

4. Rules: The Office may adopt rules according to Chapter 14 to carry out the provisions of this chapter

5. Registration: All schools located in Minnesota and all schools located outside Minnesota which offer programs or courses within Minnesota; or courses, programs or educational activity which does not require the leaving of the state for a majority of a course or program in order to complete it, shall Register annually with the Office.

6. Prohibitions/Limitations. A school that is required to Register must not maintain, advertise, solicit for, or conduct any course, program, or offer a degree in Minnesota without first Registering with the Office.

Any contract entered into with a person for a course, program, or degree by or on behalf of a person operating a school which has not Registered is unenforceable in any action.

7. Information. As a basis for registration, schools shall provide the Office with such information as the Office needs to determine the nature and activities of the school, including but not limited to the following items, and the Office shall have the authority to verify the accuracy of the information submitted to it by inspection or any other means it deems necessary:

(1) the place or places where the instruction will be given;

(2) a listing of the equipment available for instruction in each program;*

- (3) the maximum enrollment to be accommodated with equipment available in each specified program;*
- (4) current full time and part time faculty with degrees held (including institutions attended) and/or applicable experience and supervisors in each program;*
- (5) a current balance sheet, income statement, and adequate supporting documentation, prepared and certified by an independent public accountant or CPA or otherwise found to be acceptable by the Office;
- (6) copies of examples of all media advertising and promotional literature and brochures or electronic display currently used or reasonably expected to be used by the school;*
- (7) copies of all current Minnesota enrollment agreement contract forms used in Minnesota; and
- (8) copies of Articles of Incorporation, constitution, bylaws, or other operating documents, including, if applicable, proof of authority to do business in Minnesota. Registration renewals must include copies of any amendments or revisions to such documents.*
- (9) a duly adopted statement of the school's mission and goals.*
- (10) a current school Catalog and if not contained in the Catalog, the members of the Board of Trustee or Directors
- (11) The school's policy about freedom or limitations of expression and inquiry.*

Degree Granting Schools shall be exempt from providing the information required by the paragraphs indicated by “ * ” except in the years when they are required to submit a full re-registration report as indicated herein.

Degree granting institutions may offer non-degree and/or certificate programs without additional review or approval by the Office so long as such programs are directly related to, or a part of, a previously approved degree programs offered by the institution and the Office is notified of such programs.

8. Certification. Each application shall be signed and certified to under oath by the proprietor if the applicant is a proprietorship, by the managing partner if the applicant is a partnership, or by the authorized officers of the applicant if the applicant is a corporation, association, company, limited liability company, firm, society, trust or public institution.

9. Financial Responsibility & Assurance All schools subject to registration pursuant to this statute shall comply with one of the following five (5) options to insure their financial responsibility to students and the State of Minnesota

- 1. Provide a surety bond.**

a) The amount of the surety bond shall be ten percent of the preceding year's gross revenue from student tuition, fees, and other required institutional charges, but in no event less than \$10,000.00 nor greater than \$250,000.00, except that a school may deposit a greater amount at its own discretion. A school in each annual application for licensure must compute the amount of the surety bond and verify that the amount of the surety bond complies with this subdivision, unless the school maintains a surety bond equal to at least \$250,000.00. A school that operates at two or more locations may combine gross income from student tuition, fees, and other required institutional charges for all locations for the purpose of determining the annual surety bond requirement. The gross tuition and fees used to determine the amount of the surety bond required for a school having a license for the sole purpose of recruiting students in Minnesota or providing distance education in any manner from a Minnesota location shall be only that paid to the school by the students recruited from Minnesota.

(b) The bond shall run to the state of Minnesota and to any person who may have a cause of action against the applicant arising at any time after the bond is filed and before it is canceled for breach of any contract or agreement made by the applicant with any student. The aggregate liability of the surety for all breaches of the conditions of the bond shall not exceed the principal sum deposited by the school under paragraph (a). The surety of any bond may cancel it upon giving 60 days' notice in writing to the office and shall be relieved of liability for any breach of condition occurring after the effective date of cancellation., or

2. Provide a Security Deposit.

(a) A school may deposit with the state treasurer a sum equal to the amount of the required surety bond in cash, or securities as may be legally purchased by savings banks or for trust funds in an aggregate market value equal to the amount of the required surety bond or,

3. Provide Asset Verification. A school may provide verification to the Office, that is acceptable to the Office, that the institution has sufficient capital assets, endowment or other assets to insure the continued operation of the institution and which are sufficient to protect the interest of current students, such verification shall include information establishing that the school has sufficient resources to meet its financial obligations, including refunding tuition and other charges consistent with the statutory refund policy as stated herein if the institution is dissolved or otherwise cease to operate, or if claims for refunds are made, to provide service to the students as purported, and to provide educational programs leading to the degrees as purported or educational programs providing the vocational/employment training as purported.

4. Continuous Operation and Capital Assets. A school may provide verification to the Office, that is acceptable to the Office, that the institution has tangible assets of not less than \$1,000,000.00 located within the State of Minnesota sufficient to insure the continued operation of the institution and which are available to protect the interest of current students, and that the school has been in continuous operation in the State of Minnesota for not less than ten (10) years as a Registered Private Institution pursuant to Minnesota Statutes 136A.61 to 136A.71 or as a licensed private career school pursuant to Minnesota Statutes Chapter 141, in which event the maximum bond required to be provided will be not more than \$100,000.00,

5. Continuous Operation. A school may provide verification that the school has been in continuous operation in the State of Minnesota for not less than twenty (20) years as a Registered Private Institution pursuant to Minnesota Statutes 136A.61 to 136A.71 or as a licensed private career

school pursuant to Minnesota Statutes Chapter 141, in which event the maximum bond required to be provided will be not more than \$75,000.00

10. Resident agent. Registered schools located outside the state of Minnesota that offer, advertise, solicit for, or conduct any program within the state of Minnesota shall first file with the secretary of state a sworn statement designating a resident agent authorized to receive service of process. The statement shall designate the secretary of state as resident agent for service of process in the absence of a designated agent. If a school fails to file the statement, the secretary of state is designated as the resident agent authorized to receive service of process. The authorization shall be irrevocable as to causes of action arising out of transactions occurring prior to the filing of written notice of withdrawal from the state of Minnesota filed with the secretary of state.

11. Minimum standards. A school shall be Registered by the Office if the office determines:

(1) that the applicant has a sound financial condition with sufficient resources available to:

(i) meet the school's financial obligations;

(ii) refund all tuition and other charges, within a reasonable period of time, in the event of dissolution of the school or in the event of any justifiable claims for refund against the school by the student body;

(iii) provide adequate service to its students and prospective students; and

(iv) maintain and support the school;

(2) that the applicant has satisfactory facilities with sufficient tools and equipment, including when applicable adequate electronic capacity, and/or the necessary number of work stations to prepare adequately the students currently enrolled, and those proposed to be enrolled;

(3) that the applicant employs a sufficient number of qualified teaching personnel to provide the educational programs contemplated in compliance with section 18 herein;

(4) that the school has an organizational framework with administrative and instructional personnel to provide the programs and services it intends to offer;

(5) that the premises and conditions under which the students work and study are sanitary, healthful, and safe, according to modern standards;

(6) that the quality and content of each occupational course or program of study below the baccalaureate level provides education and adequate preparation to enrolled students for entry level positions in the occupation for which prepared;

(7) that the quality and content of each course or program of study at a baccalaureate level or above provides educational programs leading to the degrees it purports to offer.

(8) that any living quarters which are owned, maintained, or approved by the-school for students are sanitary and safe;

(9) that any contract or enrollment agreement used by the school complies with the provisions in 21

(10) that there has been no final adjudication of fraud or misrepresentation in any criminal, civil, or administrative proceeding in any jurisdiction against the school or its owner, officers, agents, or sponsoring organization within the past ten (10) years.

12. Restrictions.

a) No school subject to registration shall grant a degree unless such degree and the content of its underlying program are reviewed and approved by the Office.

b) No school shall be approved to grant a degree unless it has obtained accreditation by an agency recognized by the U.S. Department of Education for purposes of participation in Title IV.

c) A Registered school may use the term “academy” or “Institute in its name without meeting any additional requirements.

d) A school may use the term “college” in its name if it offers at least one program leading to an associate or higher degree.

e) A school may use the term “university” in its name if it offers at least one program leading to, graduate degree.

Will probably need language to grandfather in some schools currently using terms that they would not be authorized to use by above language

13. **Catalog, brochure, or electronic display.** Before a school is Registered, the school shall furnish to the office a catalog(s), brochure(s), or electronic display which shall include the following information. In addition, such catalogs must be archived and be available electronically or in paper format for at least ten years after their publication/creation date.

(1) identifying data, such as volume number and date of publication;

(2) name and address of the school and its governing body and officials;

(3) a calendar of the school showing legal holidays, beginning and ending dates of each course quarter, term, or semester, and other important dates;

(4) the school policy and regulations on enrollment including dates and specific entrance requirements for each program;

(5) the school policy and regulations about leave, absences, class cuts, make-up work, tardiness, and interruptions for unsatisfactory attendance;

- (6) the school policy and regulations about standards of progress for the student including the grading system of the school, the minimum grades considered satisfactory, conditions for interruption for unsatisfactory grades or progress, a description of any probationary period allowed by the school, and conditions of reentrance for those dismissed for unsatisfactory progress;
- (7) the school policy and regulations about student conduct, disciplinary procedures and penalties and conditions for dismissal for unsatisfactory conduct;
- (8) a detailed schedule of fees, charges for tuition, books, supplies, tools, student activities, laboratory fees, service charges, rentals, deposits, and all other charges;
- (9) the school policy and regulations, including an explanation about refunding tuition, fees, and other charges if the student does not enter the program, withdraws from the program, or the program is discontinued;
- (10) Non-degree granting schools must provide a description of the available facilities and equipment;
- (11) a course description or outline for each course offered that is a part of a degree program
- (12) for courses that are not a part of a degree program the course objectives, subjects or units in the course, type of work or skill to be learned, and approximate time, hours, or credits to be spent on each subject or unit;
- (13) the school policy and regulations about granting credit for previous education and preparation; including the transfer of academic credit from other institutions.
- (14) a procedure for investigating and resolving student complaints; and
- (15) the name and address of the Minnesota Office of Higher Education.

14 Placement records. (a) Before a school that offers, advertises or implies a placement service, shall be Re-Registered; the school shall file with the Office for the past year and thereafter annually a certified copy of the school's placement record, containing a list of graduates, a description of their jobs, names of their employers, and other information as the office may prescribe.

(b) Each school that offers a placement service shall furnish to each prospective student upon request, written information concerning the percentage of the previous year's graduates who were placed in the occupation for which prepared or in related employment.

15. Permanent records. A school Registered under this statute shall maintain a permanent record for each student for 50 years from the last date of the student's attendance. A school Registered under this chapter and offering distance instruction to a student located in Minnesota shall maintain a permanent record for each Minnesota student for 50 years from the last date of the student's attendance. Permanent Records must include school transcripts, documents, and files containing student data about academic credits earned, courses completed, grades awarded, degrees awarded, and

periods of attendance. To preserve permanent records, a school shall submit a plan that meets the following requirements:

- (1) at least one copy of the records must be held in a secure, fire proof, depository in paper, electronic format or both; and
- (2) an appropriate official must be designated to provide a student with copies of records or a transcript upon request;
- (3) an alternative method, approved by the office, of complying with clauses (1) and (2) must be established if the school ceases to exist; and
- (4) a continuous surety bond must be filed with the office in the sum of \$20,000 if the school has no binding agreement for preserving student records or a trust must be arranged if the school ceases to exist. Said bond to be payable to the State of Minnesota to defray the cost of receiving, collating and providing copies of said records to former students of the closed school.

16. Registration Renewal. a) Application. Application for renewal must be made at least 60 days before expiration of the current registration on forms provided by the office. A renewal application shall be accompanied by a nonrefundable fee as set forth in MSA _____ that is sufficient to recover its administrative costs.

b) Late Filing Penalty. In the event a renewal is not received in this office by close of business at least sixty (60) days before the expiration of the current registration a late fee of \$100.00 per business day shall be assessed.

17. Renewal Conditions. A school that has been licensed pursuant to Chapter 141, registered pursuant to Minnesota Statutes 136A.61 to 136A.71 or this statute, for five (5) or more years and that has demonstrated the quality of its program and operation through its longevity and performance in the state may renew its registration based on a relaxed standard of scrutiny. In the event such schools meet or satisfy six of the following nine (9) requirements they shall be required to submit a full re-registration report once every four years, and in the interim years will be exempt from the requirements paragraphs 7 (2), (3), (4), (6), (10), and (13) unless the school has made substantial revisions of any information required by these sections.

The criteria that institutions must meet or satisfy for such relaxed regulatory review are as follows:

1. A school must verify that majority of the school's graduates must be graduates of its degree programs or programs where each course within that program is acceptable for full credit toward one of its degree programs.
2. The school must verify that it has achieved full institutional re-accreditation with an accreditation agency recognized by the United States Department of Education for participation in Title IV Financial Aid.
3. The school must provide evidence that there has been no determination or limitation, suspension, or termination by the United States Department of Education for participation in Title IV Financial Aid within the last five (5) years.

4. The school must have a cohort default rate equal to or less than an average of fifteen percent (15%) for the previous three consecutive years, as calculated by the United States Department of Education.
5. The passing rate of the school's graduates on licensure or other certification examinations must be equal to or greater than eighty-five percent (85%) of the national or state passing rate, based on a minimum of ten (10) graduates sitting for the examination in any one year.
6. A school which offers a placement service must have a placement rate equal to or greater than seventy percent (70%), based on a minimum of ten (10) graduates from the school in any one year.
7. The schools withdrawal rate for the three most recent consecutive years, as established by the Code of Federal Regulations, Title 34, section 668, paragraph (1), must not exceed thirty-three percent (33%)
8. The school must receive a satisfactory audit by the Office for the three most recent consecutive years, including:
 - a. That the school has adhered to the refund policy as set forth herein or that any discrepancies noted by an audit report have been corrected within ninety (90) days of the issuance of the report, and
 - b. That student records, including acceptable academic transcripts and student financial account records have been maintained, or that any discrepancies noted by an audit report have been corrected within ninety (90) days of the issuance of the report, and
9. The school must verify annually there have been unresolved student complaints related to this statute or its attending rules during the preceding twelve months immediately prior to re-registration and/or that any such complaints that have been recently filed are being addressed.

In the event fewer than six (6) of the nine (9) criteria apply to a school then the school must satisfy all criteria that do apply to it to qualify for the relaxed standard of scrutiny.

To establish qualification for relaxed regulatory review a school shall provide written verification under oath to the Office as to which of the foregoing nine criteria it has met or satisfied. Qualification for relaxed review shall be subject to review and approval by the Office.

18 Instructor Qualifications. All registered institutions must have sufficient qualified teaching personnel to provide the educational programs to be offered including, all full time, part time, tenured or untenured faculty and graduate assistants. Minimum qualifications for teaching personnel shall be as follows:

For Non-Degree Granting Post Secondary Programs

1. recognized standing as a tradesperson or specialist supported by evidence from the previous employer, or the possession of a baccalaureate degree; or
2. a high school diploma or its equivalent; and
3. three years of full time, trade, or professional experience in the trade or specialty taught, or successful completion of a college curriculum leading to a baccalaureate degree in that trade

or specialty, or a combination of experience and education in the trade or specialty equivalent to three years of full time experience.

For Associate Degree Granting Programs:

1. possession of a baccalaureate degree in the field or specialty to be taught or a related field.
2. three years of full time, trade, or professional experience in the trade or specialty taught, or successful completion of a college curriculum leading to a baccalaureate degree in that trade or specialty, or a combination of experience and education in the trade or specialty equivalent to three years of full time experience.
3. all teaching personnel in General Education courses shall possess a graduate degree in the subject area in which they teach or a graduate degree and at a minimum eighteen (18) earned semester credits in the specific subject area.

For Baccalaureate and Higher Degree Granting Programs:

1. all teaching personnel in baccalaureate degree programs shall possess at least a baccalaureate degree in the field or specialty to be taught.
2. all teaching personnel in General Education courses shall possess a graduate degree in the subject area in which they teach or a graduate degree and at a minimum eighteen (18) earned semester credits in the specific subject area.
3. teaching personnel in all graduate level degree programs shall possess a graduate degree or degrees appropriate to the subject area and level at which they are instructing.

Limited exceptions to the above minimum requirements for instructors in Associate Degree and higher programs may be made by a school's Academic Deans or equivalent on a limited basis under exigent circumstances or where an individual's non academic training and reputation warrant such exception. Notice and the basis for such exception shall be provided to the Office.

19 PERMITS FOR SOLICITORS. 1. Required. Out of State Schools and Non-permanent Schools, as defined herein, that employ or contract with sales representative that operate within the State of Minnesota (Solicitors) must ensure that such individuals have obtained a Solicitor's Permit from the Office before said representative solicits students to enroll in such school. Such permit shall expire one year following the date of issuance. Application for renewal of permit shall be made annually.

2. Application for permit. (a) The application for the permit shall be made on a form provided by the Office and shall state the full name, address, previous employment, and such other information concerning the solicitor applicant as the office may require.

(b) The application shall have attached to it a certified affidavit signed by a school official and the solicitor attesting to the fact that the applicant has been furnished a copy, has read and has knowledge of the provisions of this Statute and rules.

3. Refusal of permit. No permit shall be issued to any solicitor unless such solicitor files with the office a continuous corporate surety bond in the sum of \$2,000 conditioned upon the faithful performance of all contracts and agreements with the students made by the solicitor. Such bonds shall run to the state of Minnesota and to any person who may have cause of

action against the applicant arising at any time after the bond is filed and before it is canceled for breach of any contract or agreement made by the solicitor with any student. The aggregate liability of the surety for all breaches of the conditions of the bond shall not exceed the principal sum of \$2,000. The surety of any such bond may cancel it upon giving 60 days' notice in writing to the office and shall be relieved of liability for any breach of condition occurring after the effective date of cancellation. In lieu of bond, the solicitor may deposit with the state treasurer the sum of \$2,000.

4. **Additional permits.** A solicitor representing more than one school must obtain a separate permit for each school represented; however when a solicitor represents schools having a common ownership, only one permit shall be required.

5. **Fee.** The initial and renewal application for each permit shall be accompanied by a nonrefundable fee pursuant to section \$350.00

6. **Contract; validity.** Any contract entered into by a solicitor for a school shall be unenforceable in any action brought thereon if the solicitor does not hold a valid permit as required by this section.

20. INFORMATION TO STUDENTS. Catalog, brochure, or electronic display. A school or its agent must provide the catalog, brochure, or electronic display required, to a prospective student in a time or manner that gives the prospective student at least five days to read the catalog, brochure, or electronic display before signing a contract or enrollment agreement or before being accepted by a school that does not use a written contract or enrollment agreement.

21 Contract information. In the event a school uses a contract or enrollment agreement such document must include at least the following:

- (1) the name and street address of the school, clearly stated;
- (2) a clear and conspicuous disclosure that the agreement is a legally binding instrument upon written acceptance of the student by the school unless canceled under section 22 herein.
- (3) the school's cancellation and refund policy that shall be clearly and conspicuously entitled "Buyer's Right to Cancel";
- (4) a clear statement of total cost of the program or reasonable estimate when appropriate, including tuition and all other known or likely charges;
- (5) the name and description of the program, including the number of hours or credits of classroom instruction, or distance instruction, that shall be included; and
- (6) a clear and conspicuous explanation of the form and means of notice the student should use in the event the student elects to cancel the contract or sale, the effective date of cancellation, and the name and address of the seller to which the notice should be sent or delivered.
- (7) contracts or enrollment agreements must not contain a wage assignment provision or a confession of judgment clause

Contract copies. Immediately upon signing of the enrollment agreement or the contract by a prospective student, the school or agent shall furnish to the prospective student an exact duplicate copy of the enrollment agreement or contract.

22 REFUNDS.

Subdivision 1. Student. For the purposes of this section, "student" means the party to the contract, whether the party is the student, the student's parent or guardian, or other person on behalf of the student.

Subd. 1a. Notice; right to refund. Every school shall notify each student, in writing, of acceptance or rejection. In the event that the student is rejected by the school, all tuition, fees and other charges shall be refunded.

1b Short Term Programs. Schools conducting programs or courses not exceeding forty (40) hours in length shall not be required to make a full refund once such programs have commenced and shall be allowed to pro rate any refund based on the actual length (hours) of the program as stated in the school catalog or advertisements and the number of hours attended by the student.

Subd. 2. Schools using written contracts. Notwithstanding anything to the contrary, a school that uses a written contract or enrollment agreement shall refund all tuition, fees and other charges paid by a student, if the student gives written notice of cancellation within five business days after the day on which the contract was executed regardless of whether the program has started.

Subd. 3. Schools not using written contracts. Notwithstanding anything to the contrary, a school that does not use a written contract or enrollment agreement shall refund all tuition, fees and other charges paid by a student if the student gives written notice of cancellation within five business days after the day on which the student is accepted by the school regardless of whether the program has started.

Subd. 4 Institutions may establish refund or "forfeiture policies" relating to registration or enrollment deposits, reservation deposits, matriculation fees, and/or other such charges, not to exceed a total of \$250.00. Such policies must be published and applied to the period starting sixty (60) days prior to a students scheduled start date and ending on the day prior to the start of classes for the term the student was scheduled to start.

Subd 5. Except as provided in Subparagraph 4 hereinabove when a student has been accepted by the school and/or has entered into a contractual agreement with the school and gives written notice of cancellation following the fifth business day after the date of execution of contract, but before the start of the program or before the first lesson has been serviced by the school in the case of distance education schools, all tuition, fees and other charges, except 15 percent of the total cost of the program but not to exceed \$50, shall be refunded to the student.

Subd. 5. When a student has been accepted by a school program and gives written notice of cancellation, or the school has actual notice of a students non attendance, after the start of the period of instruction for which the student has been charged or, after the first lesson has been

completed by the student and serviced by the school in the case of distance education, but before completion of 60 percent of the period of instruction, the amount charged for tuition, fees, and all other charges shall be prorated based on number of calendar days in the term as a portion of the total charges for tuition, fees, and all other charges. An additional 25 percent of the total cost of the period of instruction may be added, but shall not exceed \$100. After completion of 60 percent of the period of instruction for which the student has been charged, no refunds are required. Scheduled institutional instructional break of five (5) or more days shall not be included in the above calculation.

Subd. 6. Equipment and supplies. The fair market retail price, if separately stated in the catalog or contract or enrollment agreement, of equipment or supplies furnished to the student, which the student fails to return in condition suitable for resale, and which may reasonably be resold, within ten business days following cancellation may be retained by the school and may be deducted from the total cost for tuition, fees and all other charges when computing refunds.

An overstatement of the fair market retail price of any equipment or supplies furnished the student shall be considered inconsistent with this provision.

Subd. 7. Time of refund. Each school shall acknowledge in writing any valid notice of cancellation within ten business days after the receipt of such notice and within 30 business days shall refund to the student any amounts due and arrange for termination of the student's obligation to pay any sum in excess of that due under the cancellation and refund policy.

Subd. 8. Limitation. A school cannot make its refund policy conditional upon compliance with the school's regulations or rules of conduct.

Subd. 9. Cancellation occurrence. Written notice of cancellation shall take place on the date the letter of cancellation is postmarked or, in the cases where the notice is hand carried, it shall occur on the date the notice is delivered to the school. When a student has not attended classes for a period of 21 consecutive days such student shall be considered as having withdrawn from school for all purposes as of his or her last documented date of attendance.

Subd. 10. Date of execution. The date of execution of the contract or enrollment agreement shall be presumed to be the date of delivery of the notice of acceptance; and if delivered by mail, the postmark date of the letter of acceptance.

Subd. 11. Instrument not to be negotiated. A school shall not negotiate any promissory instrument received as payment of tuition or other charge prior to completion of 50 percent of the program or period of instruction for which such negotiable instrument was created, except, that prior to that time, instruments may be transferred by assignment to purchasers who shall be subject to all defenses available against the school named as payee.

Subd. 12. Cancellation of enrollment. If a student's enrollment in a school is canceled for any reason, the school shall notify any agency known to the school to be providing financial aid to the student of the cancellation within 30 days.

Subd. 13. Closed School. In the event a school closes for any reason during a term thus terminating classes during that term all tuition for such term shall be refunded to the students

or the appropriate state or federal agency or private lender that had provided any funding for such term and any outstanding obligation of the student for such term shall be cancelled.

23 Registration Fees An application for an initial or renewal registration shall be accompanied by a nonrefundable application fee as set forth below that is sufficient to recover administrative costs. All registration shall expire one year from the date of final approval by the Office unless otherwise indicated in the letter of approval.

School Definitions

- 1. Registered Degree Granting Schools.** A Registered Degree Granting school is a school that has been authorized by the Office to grant at least one degree as defined herein
- 2. Registered Non-Degree Granting School** A Registered Non-Degree Granting school is a school that has been authorized by the Office to offer at least one course or program
- 3. Non-permanent School.** A Non-permanent school is a “Non-permanents School” as defined in this statute.

Initial Fees:

Office processing fee for processing application:

- (1) \$1,500.00 for a school that will offer no more than one (1) program or degree during its first year of operation.
- (2) \$2,000.00 for a school that will offer two (2) or more non-degree level programs during its first year of operation.
- (3) \$2,500.00 for a school that will offer two (2) but not more than six (6) degree level programs during its first full year of operation.
- (4) Each degree level program in excess of six for an initial registration shall require an additional application processing fee of \$1,000.00 per degree program.

Renewal Fees:

Office processing fee for processing renewal applications:

A. For a school that offers one (1) program, the fee is:

- (1) \$950.00.00 for a “Degree Granting” school
- (2) \$865.00.00 for a “Non Degree Granting” school
- (3) \$600.00 for a Non-permanent school

B. For a school that offers two (2) or more programs the fee is:

- (1) \$950.00 for a Degree Granting school
- (2) \$1,150.00 for a Non Degree Granting School
- (3) \$1,150.00 for a Non-permanent school

Additional specific Purpose Fees for all schools:

- A. The office processing fee for adding a degree level to an existing program or degree is \$2,000.00 per program or degree
- B. The office processing fee for the addition of a new program or degree that represents a significant departure in the objectives, content, or method of delivery of programs currently offered by the school is \$500.00 per program or degree. The addition of majors, emphasis areas, minors or other internal modifications of degrees or programs shall not be subject to this fee.
- C. In the event the office determines that a fact-finding visit or outside consultant is necessary to review or evaluate any new or revised programs this office will be reimbursed for the expenses incurred related to such review, the fees related to such visits and/or consultants that are subject to reimbursement, are as follows:
 - (1) \$300.00 for the team base fee; and
 - (2) \$300.00 for each day or part thereof on site per team member.
 - (3) The actual cost of customary travel, meals, housing and related expenses incurred by team members.
- D. The fee for modification of any existing program or degree is \$100.00. This fee is due if there is:
 - (1) a substantial increase or decrease of twenty-five percent (25%) or more, from the original date of program approval or most recent program revision, in clock hours, credit hours, or calendar length of an existing program.
 - (2) a change in academic measurement from clock hours to credit hours, quarter hours to semester hours, or vice versa; or
 - (3) addition or alteration of courses that represent a significant change (25%) in the objectives, content, or methods of delivery
- E. The Solicitor Permit fee is \$350.00 and must be paid annually.
- F. Schools wishing to operate at multiple locations as defined herein, shall pay a multiple location fee of \$250.00 for each additional location.
- G. The following miscellaneous fees:
 - (1) a student transcript requested from a closed school whose records are held by the office is \$10.00, with a maximum of five transcripts per request
 - (2) copies of any public office documents are available at rates as established by the Higher Education Services Office.

24 Prohibitions. Subd. 1 No school or any of its officials or employees shall advertise or represent in any manner that a school is approved or accredited by the office or the state of Minnesota except as follows: A school may represent that it is registered with the office by using either of the following language options: "(Name of school) is registered with the Minnesota Office of Higher Education. Registration means that the school has filed information with the Office of Higher Education, including a plan to protect student records. Registration is not an endorsement of the institution. Credits earned at

the institution may not transfer to all other institutions. The educational programs may not meet the needs of every student or employer", or a school may state, "(Name of School) is Registered with the Minnesota Office of Higher Education pursuant to Minn. Stat. XXXXXXXXXX."

Subd. 2. Unlawful designation. No school organized after November 15, 1969, shall apply to itself either as a part of its name or in any other manner the designation of "college" or "university" unless such school applies for and receives certification from the office that it meets appropriate standards and is entitled to such designation. Operating schools now using such designation may continue use thereof.

Subd. 3. False statements. A school, agent, or solicitor shall not make, or cause to be made, any statement or representation, oral, written or visual, in connection with the offering or publicizing of a program, if the school, agent, or solicitor knows or reasonably should have known the statement or representation to be false, fraudulent, deceptive, substantially inaccurate, or misleading.

Subd. 4. Acceptance of contracts. No school shall accept contracts, enrollment agreements or enrollment applications from an agent or solicitor who does not have a current permit when such permit is required herein.

Subd. 5. Improbable program completion or employment. A school, agent, or solicitor shall not enroll a prospective student when it is obvious that the prospective student is unlikely to successfully complete a program or is unlikely to qualify for employment in the vocation or field for which the preparation is designed unless this fact is affirmatively disclosed to the prospective student. If a prospective student expresses a desire to enroll after such disclosure, a disclaimer may be obtained by the school. The disclaimer shall be signed by the student and shall state substantially one or both of the following: "I am fully aware that it is unlikely I will be able to successfully complete the program" and "I am fully aware of the improbability or impossibility that I will qualify for employment in the vocation or field for which the program was designed."

25. Revocation of Registration or Solicitor Permit.

Subdivision 1. **Grounds.** The office may, after notice and upon providing an opportunity for a hearing, under Minnesota Statutes Chapter 14 if requested by the parties adversely affected, refuse to issue, refuse to renew, revoke, or suspend a registration or solicitor's permit for any of the following grounds:

- (1) violation of any provisions of this statute or any rule adopted by the office;
- (2) furnishing to the office false, misleading, or incomplete information;
- (3) presenting to prospective students information relating to the school that is false, fraudulent, deceptive, substantially inaccurate, incomplete or misleading;
- (4) refusal to allow reasonable inspection or supply reasonable information after written request by the office;
- (5) the existence of any circumstance that would be grounds for the refusal of an initial or renewal registration under this statute

Subd. 2. **Appeal.** Any order refusing, revoking, or suspending a school's registration, a solicitor's permit, or other regulatory or punitive administrative action is appealable in accordance with chapter 14.

No such order by the Office is effective until the final determination of the appeal unless immediate effect is ordered by the court.

Subd. 3. **Powers and duties.** The office shall have (in addition to the powers and duties now vested therein by law) the following powers and duties:

- (a) To negotiate and enter into interstate reciprocity agreements with similar agencies in other states, if in the judgment of the office such agreements are or will be helpful in effectuating the purposes of this statute
- (b) To grant conditional school registration for periods of less than one year if in the judgment of the office correctable deficiencies exist at the time of application or re-application and when refusal to issue school license would adversely affect currently enrolled students;
- (c) The office may upon its own motion, and shall upon the verified complaint in writing of any person setting forth fact which, if proved, would constitute grounds for refusal or revocation under this statute, investigate the actions of any applicant or any person or persons holding or claiming to hold a registration or permit. However, before proceeding to a hearing on the question of whether registration or a permit shall be refused, revoked or suspended for any cause enumerated in subdivision 1, the office shall grant a reasonable time to the holder of or applicant for registration or a permit to correct the situation. If within such time the situation is corrected and the school is in compliance with the provisions of this chapter, no further action leading to refusal, revocation, or suspension shall be taken.

26. INSPECTION.

- (a) The office or a delegate may inspect the instructional books and records, classrooms, dormitories, tools, equipment and classes of any school or applicant for-registration at any reasonable time. The office may require the submission of a certified public audit, or if there is no such audit available the office or a delegate may inspect the financial books and records of the school. In no event shall such financial information be used by the office to regulate or set the tuition or fees charged by the school.
- (b) Data obtained from an inspection of the financial records of a school or submitted to the office as a part of a registration application or renewal are nonpublic data as defined in section 13.02, subdivision 9. Data obtained from inspections may be disclosed to other members of the office, to law enforcement officials, or in connection with a legal or administrative proceeding commenced to enforce a requirement of law.

27. Voluntary Compliance. A school or educational program which is exempt under this statute may voluntarily waive its exemption by registering pursuant to the terms of this statute. Upon registering the school or educational program is subject to all applicable requirements of the statute.

28. Non Title IV and/or Minnesota Financial Aid Payments. (a) All institutions must collect, assess, and distribute funds received from loans or other financial aid as provided in this subdivision.

Loans and/or other financial aid assistance received from a bank, finance or credit card company, or other private lender which require institutional certification and where the funds are paid to the institution on behalf of the student must be collected or disbursed as provided in paragraphs (a) and (b)

a) Loans or other financial aid payments for amounts greater than \$3,000 must be disbursed to the institution:

(1) in two equal disbursements, if the term length is more than four months. The loan or payment amounts may be disbursed no earlier than the first day the student attends class with the remainder to be disbursed halfway through the term; or

(2) in three equal disbursements, if the term length is more than six months. The loan or payment amounts may be disbursed no earlier than the first day the student attends class, one-third of the way through the term, and two-thirds of the way through the term.

b) Loans or other financial aid payments for amounts less than \$3,000 may be disbursed to the institution as a single disbursement on the first day a student attends class, regardless of term length.

(c) No institution may enter into a contract or agreement with, or receive any money from, a bank, finance or credit card company, or other private lender, unless the private lender follows the requirements disbursements provided in paragraphs (a) and (b).

29. INJUNCTION.

Upon application of the attorney general the district courts shall have jurisdiction to enjoin any violation of this statute.

30. PENALTY.

Violation of a provision of this chapter shall be a misdemeanor. Each day's failure to comply with this chapter shall be a separate violation. The office shall adopt rules establishing a list of civil penalties and the fine associated with each violation. Fines for violations shall not exceed \$500 per day per violation.

31. EXEMPTIONS.

This Private and Out of State Postsecondary Registration Act shall not apply to the following :

(1) Minnesota public post-secondary institutions;

(2) schools of nursing accredited by the state board of nursing or an equivalent public board of another state or foreign country;

(3) private schools complying with the requirements of section 120A.22, subdivision 4;

(4) courses taught to students in a valid apprenticeship program taught by or required by a trade union;

(5) schools exclusively engaged in training physically or mentally handicapped persons for (in?) the state of Minnesota;

- (6) schools licensed by boards authorized under Minnesota law to issue licenses;
- (7) schools and educational programs, or training programs, contracted for by persons, firms, corporations, government agencies, or associations, for the training of their own employees; or by state or federal governmental agencies for the purpose of training or re-training eligible individuals for employment, for which no fee is charged the employee or governmental agency client;
- (8) schools engaged exclusively in the teaching of purely avocational, recreational, or remedial subjects as determined by the office;
- (9) driver training schools and instructors as defined in section 171.33, subdivisions 1 and 2;
- (10) educational programs which are sponsored by a bona fide and nonprofit trade, labor, business, professional or fraternal organization, which programs are conducted solely for that organization's membership or for the members of the particular industries or professions served by that organization, and which are not available to the public on a fee basis,
- (11) programs in the fine arts provided by organizations exempt from taxation under section 290.05 and registered with the attorney general under chapter 309. For the purposes of this clause, "fine arts" means activities resulting in artistic creation or artistic performance of works of the imagination which are engaged in for the primary purpose of creative expression rather than commercial sale or employment. In making this determination the office may seek the advice and recommendation of the Minnesota board of the arts;
- (12) classes, courses, or programs intended to fulfill the continuing education requirements for licensure or certification in a profession, that have been approved by a legislatively or judicially established board or agency responsible for regulating the practice of the profession, and that are offered exclusively to an individual practicing the profession;
- (13) classes, courses, or programs intended to prepare students to sit for undergraduate, graduate, postgraduate, or occupational licensing and occupational entrance examinations;
- (14) classes, courses, or programs providing 16 or fewer clock hours of instruction that are not part of the curriculum for an occupation or entry level employment;
- (15) classes, courses, or programs providing instruction in personal development, modeling, or acting;
- (16) training or instructional programs, in which one instructor teaches an individual student, that are not part of the curriculum for an occupation or are not intended to prepare a person for entry level employment; and
- (17) schools with no physical presence in Minnesota as determined by the Office, engaged exclusively in offering distance instruction that are located in and regulated by other states or jurisdictions.
- (18) Religious Schools that meet the following criteria:

a) Any school or any department or branch of a school (i) which is substantially owned, operated or supported by a bona fide church or religious organization; (ii) whose programs are primarily designed for, aimed at and attended by persons who sincerely hold or seek to learn the particular religious faith or beliefs of that church or religious organization; and (iii) whose programs are primarily intended to prepare its students to become ministers of, to enter into some other vocation closely related to, or to conduct their lives in consonance with, the particular faith of that church or religious organization, is exempt from the provisions of this statute

b) This exemption shall not extend to any school or to any department or branch of a school which through advertisements or solicitations represents to any students or prospective students that the school, its aims, goals, missions or purposes or its programs are different from those described in subdivision a). This exemption shall not extend to any school which represents to any student or prospective student that the major purpose of its programs is to prepare the student for a vocation not closely related to that particular religious faith, or to provide the student with a general educational program recognized by other schools or the broader educational, business or social community as being substantially equivalent to the educational programs offered by schools or departments or branches of schools which are not religious in nature and are not exempt from this statute and rules adopted pursuant hereto.

c) Nothing in this statute or the rules adopted pursuant hereto, shall be interpreted as permitting the office to determine the truth or falsity of any particular set of religious beliefs.

Exhibit C

Amended MN Statute Chap. 141

Minimal Changes to Move Schools

Minnesota Statutes 2005, Chapter 141.

141.01 Repealed, 1969 c 866 s 17
141.02 Repealed, 1969 c 866 s 17
141.03 Repealed, 1969 c 866 s 17
141.04 Repealed, 1969 c 866 s 17
141.05 Repealed, 1969 c 866 s 17
141.06 Repealed, 1969 c 866 s 17
141.07 Repealed, 1969 c 866 s 17
141.08 Repealed, 1969 c 866 s 17
141.09 Repealed, 1969 c 866 s 17
141.10 Repealed, 1969 c 866 s 17
141.11 Repealed, 1969 c 866 s 17
141.20 Citation.

Sections 141.20 to 141.35 may be cited as the Private Career School Act.

HIST: 1999 c 214 art 3 s 1

141.21 Definitions.

Subdivision 1. Words, terms and phrases. The following words, terms and phrases shall have the meanings ascribed to them in this section.

Subd. 1a. Office. "Office" means the Higher Education Services Office.

Subd. 2. Repealed, 1992 c 513 art 1 s 28

Subd. 3. Solicitor. "Solicitor" means a person who for a salary or for commission, acts as an agent, independent contractor, salesperson, or counselor in recruiting students for a program using any method, at any place except on the actual business premises of the school, other than only providing public information at the invitation or permission of a school or educational organization.

Subd. 4. Person. "Person" means any individual, partnership, company, firm, society, trust, association, or corporation or any combination thereof.

~~Subd. 5. School. "School" means any person, within or outside the state, who maintains, advertises, solicits, or conducts any program for profit at any level other than baccalaureate or graduate programs, and is not specifically exempted by sections 141.21 to 141.35.~~

NEW

Subd. 5 School: "School" means any person, within or outside the state, who maintains, advertises, solicits for, or conducts any program at any level other than degree granting, is not authorized to grant a degree, and any post secondary educational institution which uses the term, "college", "academy", "institute", or "university" in its name; and is not specifically exempted by section 141.21 to 141.35

Subd. 6. Course. "Course" means any classroom or distance instruction; any subunit of a program; or any combination thereof.

Subd. 6a. Multiple Location. "Multiple location" means any site where classes or administrative services are provided to students and which has a street address that is different than the street address found on the school's private career school license.

Subd. 7. Placement service. "Placement service" means a service offered or advertised by a school for the purpose of assisting the student in obtaining employment.

Subd. 8. Program. "Program" means any course or grouping of courses that is advertised or listed in a school's catalog, brochures, electronic display, or other publications, or for which the school grants a formal recognition.

Subd. 9. Distance education school. "Distance education school" means a school that establishes, keeps, or maintains a facility or location where a program is offered through distance instruction.

Subd. 10. Distance instruction. "Distance instruction" means any method of instruction outside the traditional in-classroom instruction, including, but not limited to, the use of the United States mail and other correspondence; Internet and other on-line computer-based education; or CD-ROM self-instruction.

Subd. 11. Electronic display. "Electronic display" means text, images, or sound rendered via any electronic device designed to present information, whether generated by the device or transmitted from another source.

HIST: 1969 c 866 s 1; 1973 c 714 s 1,2; 1986 c 444; 1992 c 513 art 1 s 18; 1995 c 212 art 3 s 59; 1999 c 214 art 3 s 2-8; 2005 c 107 art 3 s 1

141.22 Repealed, 1999 c 214 art 3 s 36

141.23 Rules.

The office may adopt rules according to chapter 14 to carry out the provisions of this chapter.

HIST: 1969 c 866 s 3; 1982 c 424 s 130; 1Sp1985 c 11 s 66;

1992 c 513 art 1 s 27; 1995 c 212 art 3 s 59
141.24 Repealed, 1983 c 260 s 68

141.25 Licensure.

Subdivision 1. Required. A school must not maintain, advertise, solicit for, or conduct any program in Minnesota without first obtaining a license from the office.

Subd. 2. Contract unenforceable. A contract entered into with a person for a program by or on behalf of a person operating a school to which a license has not been issued under sections 141.21 to 141.35, is unenforceable in any action.

Subd. 3. Application. Application for a license shall be on forms prepared and furnished by the office, and shall include the following and other information as the office may require:

- (1) the title or name of the school, ownership and controlling officers, members, managing employees, and director;
- (2) the specific programs which will be offered and the specific purposes of the instruction;
- (3) the place or places where the instruction will be given;
- (4) a listing of the equipment available for instruction in each program;
- (5) the maximum enrollment to be accommodated with equipment available in each specified program;
- (6) the qualifications of instructors and supervisors in each specified program;
- (7) a current balance sheet, income statement, and adequate supporting documentation, prepared and certified by an independent public accountant or CPA;
- (8) copies of all media advertising and promotional literature and brochures or electronic display currently used or reasonably expected to be used by the school;
- (9) copies of all Minnesota enrollment agreement forms and contract forms and all enrollment agreement forms and contract forms used in Minnesota; and
- (10) gross income earned in the preceding year from student tuition, fees, and other required institutional charges, unless the school files with the office a surety bond equal to at least \$250,000 as described in subdivision 5.

Subd. 4. Certification. Each application shall be signed and certified to under oath by the proprietor if the applicant is a proprietorship, by the managing partner if the applicant is a partnership, or by the authorized officers of the applicant if the applicant is a corporation, association, company, firm, society or trust.

Subd. 5. Bond. (a) No license shall be issued to any school which maintains, conducts, solicits for, or advertises within the state of Minnesota any program, unless the applicant files with the office a continuous corporate surety bond written by a company authorized to do business in Minnesota conditioned

upon the faithful performance of all contracts and agreements with students made by the applicant.

(b) The amount of the surety bond shall be ten percent of the preceding year's gross income from student tuition, fees, and other required institutional charges, but in no event less than \$10,000 nor greater than \$250,000, except that a school may deposit a greater amount at its own discretion. A school in each annual application for licensure must compute the amount of the surety bond and verify that the amount of the surety bond complies with this subdivision, unless the school maintains a surety bond equal to at least \$250,000. A school that operates at two or more locations may combine gross income from student tuition, fees, and other required institutional charges for all locations for the purpose of determining the annual surety bond requirement. The gross tuition and fees used to determine the amount of the surety bond required for a school having a license for the sole purpose of recruiting students in Minnesota shall be only that paid to the school by the students recruited from Minnesota.

(c) The bond shall run to the state of Minnesota and to any person who may have a cause of action against the applicant arising at any time after the bond is filed and before it is canceled for breach of any contract or agreement made by the applicant with any student. The aggregate liability of the surety for all breaches of the conditions of the bond shall not exceed the principal sum deposited by the school under paragraph (b). The surety of any bond may cancel it upon giving 60 days' notice in writing to the office and shall be relieved of liability for any breach of condition occurring after the effective date of cancellation.

(d) In lieu of bond, the applicant may deposit with the commissioner of finance a sum equal to the amount of the required surety bond in cash, or securities as may be legally purchased by savings banks or for trust funds in an aggregate market value equal to the amount of the required surety bond.

(e) Failure of a school to post and maintain the required surety bond or deposit under paragraph (d) may result in denial, suspension, or revocation of the school's license.

Subd. 6. Resident agent. Schools located outside the state of Minnesota that offer, advertise, solicit for, or conduct any program within the state of Minnesota shall first file with the secretary of state a sworn statement designating a resident agent authorized to receive service of process. The statement shall designate the secretary of state as resident agent for service of process in the absence of a designated agent. If a school fails to file the statement, the secretary of state is designated as the resident agent authorized to receive service of process. The authorization shall be irrevocable as to causes of action arising out of transactions occurring prior to the filing of written notice of withdrawal from the state of Minnesota filed with the secretary of state.

Subd. 7. Minimum standards. A license shall be issued if the office first determines:

- (1) that the applicant has a sound financial condition with sufficient resources available to:
 - (i) meet the school's financial obligations;
 - (ii) refund all tuition and other charges, within a reasonable period of time, in the event of dissolution of the school or in the event of any justifiable claims for refund against the school by the student body;
 - (iii) provide adequate service to its students and prospective students; and
 - (iv) maintain and support the school;
- (2) that the applicant has satisfactory facilities with sufficient tools and equipment and the necessary number of work stations to prepare adequately the students currently enrolled, and those proposed to be enrolled;
- (3) that the applicant employs a sufficient number of qualified teaching personnel to provide the educational programs contemplated;
- (4) that the school has an organizational framework with administrative and instructional personnel to provide the programs and services it intends to offer;
- (5) that the premises and conditions under which the students work and study are sanitary, healthful, and safe, according to modern standards;
- (6) that the quality and content of each occupational course or program of study provides education and adequate preparation to enrolled students for entry level positions in the occupation for which prepared;
- (7) that the living quarters which are owned, maintained, or approved by the applicant for students are sanitary and safe;
- (8) that the contract or enrollment agreement used by the school complies with the provisions in section 141.265;
- (9) that contracts and agreements do not contain a wage assignment provision or a confession of judgment clause; and
- (10) that there has been no adjudication of fraud or misrepresentation in any criminal, civil, or administrative proceeding in any jurisdiction against the school or its owner, officers, agents, or sponsoring organization.

Subd. 8. Fees and terms of license. An application for an initial license under sections 141.21 to 141.35 shall be accompanied by a nonrefundable application fee as provided in section 141.255 that is sufficient to recover, but not exceed, the administrative costs of the office. All licenses shall expire one year from the date issued by the office, except as provided in section 141.251.

Subd. 9. Catalog, brochure, or electronic display.
Before a license is issued to a school, the school shall furnish to the office a catalog, brochure, or electronic display including:

- (1) identifying data, such as volume number and date of publication;
- (2) name and address of the school and its governing body and officials;
- (3) a calendar of the school showing legal holidays, beginning and ending dates of each course quarter, term, or semester, and other important dates;
- (4) the school policy and regulations on enrollment including dates and specific entrance requirements for each program;
- (5) the school policy and regulations about leave, absences, class cuts, make-up work, tardiness, and interruptions for unsatisfactory attendance;
- (6) the school policy and regulations about standards of progress for the student including the grading system of the school, the minimum grades considered satisfactory, conditions for interruption for unsatisfactory grades or progress, a description of any probationary period allowed by the school, and conditions of reentrance for those dismissed for unsatisfactory progress;
- (7) the school policy and regulations about student conduct and conditions for dismissal for unsatisfactory conduct;
- (8) a detailed schedule of fees, charges for tuition, books, supplies, tools, student activities, laboratory fees, service charges, rentals, deposits, and all other charges;
- (9) the school policy and regulations, including an explanation of section 141.271, about refunding tuition, fees, and other charges if the student does not enter the program, withdraws from the program, or the program is discontinued;
- (10) a description of the available facilities and equipment;
- (11) a course outline syllabus for each course offered showing course objectives, subjects or units in the course, type of work or skill to be learned, and approximate time, hours, or credits to be spent on each subject or unit;
- (12) the school policy and regulations about granting credit for previous education and preparation;
- (13) a procedure for investigating and resolving student complaints; and
- (14) the name and address of the Minnesota Higher Education Services Office.

A school that is exclusively a distance education school is exempt from clauses (3) and (5).

Subd. 9a. Repealed, 1999 c 214 art 3 s 36

Subd. 9b. Repealed, 1999 c 214 art 3 s 36

Subd. 10. Placement records. (a) Before a license is issued to a school that offers, advertises or implies a placement service, the school shall file with the office for the

past year and thereafter at reasonable intervals determined by the office, a certified copy of the school's placement record, containing a list of graduates, a description of their jobs, names of their employers, and other information as the office may prescribe.

(b) Each school that offers a placement service shall furnish to each prospective student, prior to enrollment, written information concerning the percentage of the previous year's graduates who were placed in the occupation for which prepared or in related employment.

Subd. 11. Repealed, 1999 c 214 art 3 s 36

Subd. 12. Permanent records. A school licensed under this chapter and located in Minnesota shall maintain a permanent record for each student for 50 years from the last date of the student's attendance. A school licensed under this chapter and offering distance instruction to a student located in Minnesota shall maintain a permanent record for each Minnesota student for 50 years from the last date of the student's attendance.

Records include school transcripts, documents, and files containing student data about academic credits earned, courses completed, grades awarded, degrees awarded, and periods of attendance. To preserve permanent records, a school shall submit a plan that meets the following requirements:

- (1) at least one copy of the records must be held in a secure, fireproof depository;
- (2) an appropriate official must be designated to provide a student with copies of records or a transcript upon request;
- (3) an alternative method, approved by the office, of complying with clauses (1) and (2) must be established if the school ceases to exist; and
- (4) a continuous surety bond must be filed with the office in an amount not to exceed \$20,000 if the school has no binding agreement for preserving student records or a trust must be arranged if the school ceases to exist.

A school that is also licensed by another Minnesota state agency and is required to obtain a Private Career School License solely because it uses the term "academy", "college", "university", or "institute" in its name, is exempt from Subd. 3 (5)(6)(8) and (9); Subd. 5, Subd. 7 (2&3), (5&6), (8-11); and Subd. 10

HIST: 1969 c 866 s 5; 1971 c 781 s 1,2; 1973 c 714 s 3-9; 1980 c 559 s 1; 1Sp1985 c 11 s 67-70; 1986 c 444; 1989 c 329 art 12 s 4; 1990 c 562 art 3 s 9,10; 1991 c 265 art 8 s 10; 1992 c 513 art 1 s 27; 1Sp1993 c 2 art 2 s 21; 1995 c 212 art 3 s 43,59; 1996 c 366 s 2; 1999 c 214 art 3 s 9-18; 2003 c 112 art 2 s 50; 2005 c 107 art 3 s 2-6

141.251 License renewal.

Subdivision 1. Application. Application for renewal of a license must be made at least 60 days before expiration of the current license on a form provided by the office. A renewal application shall be accompanied by a nonrefundable fee as provided in section 141.255 that is sufficient to recover, but

does not exceed, the administrative costs of the office.

Subd. 2. Conditions. The office shall adopt rules establishing the conditions for renewal of a license. The conditions shall permit two levels of renewal based on the record of the school. A school that has demonstrated the quality of its program and operation through longevity and performance in the state may renew its license based on a relaxed standard of scrutiny. A school that has been in operation in Minnesota for a limited period of time or that has not performed adequately on performance indicators shall renew its license based on a strict standard of scrutiny. The office shall specify minimum longevity standards and performance indicators that must be met before a school may be permitted to operate under the relaxed standard of scrutiny. The performance indicators used in this determination shall include, but not be limited to: degree granting status, regional or national

accreditation, loan default rates, placement rate of graduates, student withdrawal rates, audit results, student complaints, and school status with the United States Department of Education. Schools that meet the requirements established in rule shall be required to submit a full relicensure report once every four years, and in the interim years will be exempt from the requirements of section 141.25, subdivision 3, clauses (4), (5), and (8), and Minnesota Rules, parts 4880.1700, subpart 6; and 4880.2100, subpart 4.

HIST: 1999 c 214 art 3 s 19; 2005 c 107 art 3 s 7

141.255 Fees.

Subdivision 1. Initial licensure fee. The office processing fee for an initial licensure application is:

- (1) \$1,500 for a school that will offer no more than one program during its first year of operation;
- (2) \$2,000 for a school that will offer two or more nondegree level programs during its first year of operation; and
- ~~(3) \$2,500 for a school that will offer two or more degree level programs during its first year of operation.~~

Subd. 2. Renewal licensure fee; late fee. (a) The office processing fee for a renewal licensure application is:

- (1) for a category A school, as determined by the office, the fee is \$865 if the school offers one program or \$1,150 if the school offers two or more programs; and
- (2) for a category B or C school, as determined by the office, the fee is \$430 if the school offers one program or \$575 if the school offers two or more programs.

(b) If a license renewal application is not received by the office by the close of business at least 60 days before the expiration of the current license, a late fee of \$100 per business day shall be assessed.

(c) for a school licensed by another Minnesota state agency authorized to issue licenses and required to obtain a Private Career School License solely because it uses the term "college", "academy", "institute", or "university" in its name the fee is \$865.00.

~~Subd. 3. Degree level addition fee. The office processing fee for adding a degree level to an existing program is \$2,000 per program.~~

Subd. 4. Program addition fee. The office processing fee for adding a program that represents a significant departure in the objectives, content, or method of delivery of programs that are currently offered by the school is \$500 per program.

Subd. 5. Visit or consulting fee. If the office determines that a fact-finding visit or outside consultant is necessary to review or evaluate any new or revised program, the office shall be reimbursed for the expenses incurred related to the review as follows:

- (1) \$300 for the team base fee or for a paper review conducted by a consultant if the office determines that a fact-finding visit is not required;
- (2) \$300 for each day or part thereof on site per team member; and
- (3) the actual cost of customary meals, lodging, and related travel expenses incurred by team members.

Subd. 6. Modification fee. The fee for modification of any existing program is \$100 and is due if there is:

- (1) an increase or decrease of 25 percent or more, from the original date of program approval, in clock hours, credit hours, or calendar length of an existing program;
- (2) a change in academic measurement from clock hours to credit hours or vice versa; or
- (3) an addition or alteration of courses that represent a 25 percent change or more in the objectives, content, or methods of delivery.

Subd. 7. Solicitor permit fee. The solicitor permit fee is \$350 and must be paid annually.

Subd. 8. Multiple location fee. Schools wishing to operate at multiple locations must pay:

- (1) \$250 per location, for two to five locations; and
- (2) an additional \$50 for each location over five.

Subd. 9. Student transcript fee. The fee for a student transcript requested from a closed school whose records are held by the office is \$10, with a maximum of five transcripts per request.

Subd. 10. Public office documents; copies. The office shall establish rates for copies of any public office document.

HIST: 2005 c 107 art 3 s 8

141.26 Permits for solicitors.

Subdivision 1. Required. A solicitor representing a school must obtain a solicitor's permit from the office before soliciting students to enroll in such school. Such permit shall

expire one year following the date of issuance. Application for renewal of permit shall be made annually.

Subd. 2. Application for permit. (a) The application for the permit shall state the full name, address, previous employment, and such other information concerning the solicitor applicant as the office may require.

(b) The application shall have attached to it a certified affidavit signed by a school official and the solicitor attesting to the fact that the applicant has been furnished a copy, has read and has knowledge of the provisions of this chapter and Minnesota Rules.

Subd. 3. Refusal of permit. No permit shall be issued to any solicitor unless such solicitor files with the office a continuous corporate surety bond in the sum of \$2,000 conditioned upon the faithful performance of all contracts and agreements with the students made by the solicitor. Such bonds shall run to the state of Minnesota and to any person who may have cause of action against the applicant arising at any time after the bond is filed and before it is canceled for breach of any contract or agreement made by the solicitor with any student. The aggregate liability of the surety for all breaches of the conditions of the bond shall not exceed the principal sum of \$2,000. The surety of any such bond may cancel it upon giving 60 days' notice in writing to the office and shall be relieved of liability for any breach of condition occurring after the effective date of cancellation. In lieu of bond, the solicitor may deposit with the commissioner of finance the sum of \$2,000.

Subd. 4. Additional permits. A solicitor representing more than one school must obtain a separate permit for each school represented; however when a solicitor represents schools having a common ownership, only one permit shall be required.

Subd. 5. Fee. The initial and renewal application for each permit shall be accompanied by a nonrefundable fee under section 141.255.

Subd. 6. Contract; validity. Any contract entered into by a solicitor for a licensed school shall be unenforceable in any action brought thereon if the solicitor does not hold a valid permit as required by this section.

HIST: 1969 c 866 s 6; 1971 c 781 s 3; 1973 c 714 s 10,11; 1Sp1985 c 11 s 71,72; 1989 c 329 art 12 s 5; 1991 c 265 art 8 s 11; 1992 c 513 art 1 s 27; 1Sp1993 c 2 art 2 s 22,23; 1995 c 212 art 3 s 59; 1996 c 366 s 3; 1999 c 214 art 3 s 20; 2003 c 112 art 2 s 50; 2005 c 107 art 3 s 9

141.265 Information to students.

Subdivision 1. Catalog, brochure, or electronic display. A school or its agent must provide the catalog, brochure, or electronic display required in section 141.25, subdivision 9, to a prospective student in a time or manner that

gives the prospective student at least five days to read the catalog, brochure, or electronic display before signing a contract or enrollment agreement or before being accepted by a school that does not use a written contract or enrollment agreement.

Subd. 2. Contract information. A contract or enrollment agreement used by a school must include at least the following:

- (1) the name and address of the school, clearly stated;
- (2) a clear and conspicuous disclosure that the agreement is a legally binding instrument upon written acceptance of the student by the school unless canceled under section 141.271;
- (3) the school's cancellation and refund policy that shall be clearly and conspicuously entitled "Buyer's Right to Cancel";
- (4) a clear statement of total cost of the program including tuition and all other charges;
- (5) the name and description of the program, including the number of hours or credits of classroom instruction, or distance instruction, that shall be included; and
- (6) a clear and conspicuous explanation of the form and means of notice the student should use in the event the student elects to cancel the contract or sale, the effective date of cancellation, and the name and address of the seller to which the notice should be sent or delivered.

Subd. 3. Contract copies. Immediately upon signing of the enrollment agreement or the contract by a prospective student, the school or agent shall furnish to the prospective student an exact duplicate copy of the enrollment agreement or contract.

A School licensed by another Minnesota state agency and required to obtain a Private Career School License solely because it uses the term "college", "academy", "institute", or "university" in its name is exempt from Subds. 2 and 3

HIST: 1999 c 214 art 3 s 21

141.27 Repealed, 1973 c 714 s 21

141.271 Refunds.

Subdivision 1. Student. For the purposes of this section, "student" means the party to the contract, whether the party is the student, the student's parent or guardian, or other person on behalf of the student.

Subd. 1a. Notice; right to refund. Every school shall notify each student, in writing, of acceptance or rejection. In the event that the student is rejected by the school, all tuition, fees and other charges shall be refunded.

Subd. 1b. Short-term programs. Licensed schools conducting programs not exceeding 40 hours in length shall not be required to make a full refund once a program has commenced and shall be allowed to prorate any refund based on the actual length of the program as stated in the school catalog or advertisements and the number of hours attended by the student.

Subd 1c A school licensed by another Minnesota state agency and required to obtain a Private Career School License solely because it uses the term "college", "academy", "institute", or "university" in its name is exempt from section 141.271.

Subd. 2. Schools using written contracts. (a)

Notwithstanding anything to the contrary, a school that uses a written contract or enrollment agreement shall refund all tuition, fees and other charges paid by a student, if the student gives written notice of cancellation within five business days after the day on which the contract was executed regardless of whether the program has started.

(b) When a student has been accepted by the school and has entered into a contractual agreement with the school and gives written notice of cancellation following the fifth business day after the date of execution of contract, but before the start of the program in the case of resident schools, or before the first lesson has been serviced by the school in the case of distance education schools, all tuition, fees and other charges, except 15 percent of the total cost of the program but not to exceed \$50, shall be refunded to the student.

Subd. 3. Schools not using written contracts. (a)

Notwithstanding anything to the contrary, a school that does not use a written contract or enrollment agreement shall refund all tuition, fees and other charges paid by a student if the student gives written notice of cancellation within five business days after the day on which the student is accepted by the school regardless of whether the program has started.

(b) When a student has been accepted by the school and gives written notice of cancellation following the fifth business day after the day of acceptance by the school, but before the start of the program, in the case of resident schools, or before the first lesson has been serviced by the school, in the case of distance education schools, all tuition, fees and other charges, except 15 percent of the total cost of the program but not to exceed \$50, shall be refunded to the student.

Subd. 4. Resident schools. When a student has been

accepted by a school offering a resident program and gives written notice of cancellation, or the school has actual notice of a student's nonattendance after the start of the period of instruction for which the student has been charged, but before completion of 75 percent of the period of instruction, the amount charged for tuition, fees, and all other charges shall be prorated based on number of days in the term as a portion of the total charges for tuition, fees, and all other charges. An additional 25 percent of the total cost of the period of instruction may be added, but shall not exceed \$100. After completion of 75 percent of the period of instruction for which the student has been charged, no refunds are required.

Subd. 5. Distance education schools. When a student has been accepted by a distance education school and gives

written notice of cancellation after the first lesson has been completed by the student and serviced by the school, but before completion of 75 percent of the program, the amount charged for tuition, fees and all other charges for the completed lessons shall be prorated as a portion of the total charges for tuition, fees and all other charges. An additional 25 percent of the total cost of the program may be added but shall not exceed \$75. After completion of 75 percent of the program, no refunds are required.

Subd. 6. Combination distance education-resident schools. When a student has been accepted by a school that offers a combination distance education-resident program and gives written notice of cancellation after the start of the program or after the first lesson has been completed by the student and serviced by the school, whichever phase comes first, the school shall refund all tuition, fees and other charges as provided in subdivision 4 if cancellation occurs during the resident portion, and as provided for in subdivision 5 if cancellation occurs during the distance instruction portion. If the cancellation occurs before the student has commenced one of the phases, the price of that phase shall not be considered in making the proration and the student shall be entitled to a full refund of the charges. Conversely, if the student has completed a phase of the program before cancellation, the charges may be retained by the school provided that the total tuition, fees and other charges for each phase have been stated separately in the school's catalog or electronic display and contract or enrollment agreement.

Subd. 7. Equipment and supplies. The fair market retail price, if separately stated in the catalog and contract or enrollment agreement, of equipment or supplies furnished to the student, which the student fails to return in condition suitable for resale, and which may reasonably be resold, within ten business days following cancellation may be retained by the school and may be deducted from the total cost for tuition, fees and all other charges when computing refunds. An overstatement of the fair market retail price of any equipment or supplies furnished the student shall be considered inconsistent with this provision.

Subd. 8. Time of refund. Each school shall acknowledge in writing any valid notice of cancellation within ten business days after the receipt of such notice and within 30 business days shall refund to the student any amounts due and arrange for termination of the student's obligation to pay any sum in excess of that due under the cancellation and refund policy.

Subd. 9. Limitation. A school cannot make its refund policy conditional upon compliance with the school's regulations or rules of conduct.

Subd. 10. Cancellation occurrence. Written notice of cancellation shall take place on the date the letter of cancellation is postmarked or, in the cases where the notice is

hand carried, it shall occur on the date the notice is delivered to the school. If a student has not attended classes for a period of 21 consecutive days, the student is considered to have withdrawn from school for all purposes as of the student's last documented date of attendance.

Subd. 11. Date of execution. The date of execution of the contract or enrollment agreement shall be presumed to be the date of delivery of the notice of acceptance; and if delivered by mail, the postmark date of the letter of acceptance.

Subd. 12. Instrument not to be negotiated. A school shall not negotiate any promissory instrument received as payment of tuition or other charge prior to completion of 50 percent of the program. Prior to that time, instruments may be transferred by assignment to purchasers who shall be subject to all defenses available against the school named as payee.

Subd. 13. Cancellation of enrollment. If a student's enrollment in a school is canceled for any reason, the school shall notify any agency known to the school to be providing financial aid to the student of the cancellation within 30 days.

Subd. 14. Closed school. In the event a school closes for any reason during a term and interrupts and terminates classes during that term, all tuition for the term shall be refunded to the students or the appropriate state or federal agency or private lender that provided any funding for the term and any outstanding obligation of the student for the term is canceled.

HIST: 1973 c 714 s 12; 1980 c 559 s 2,3; 1986 c 444; 1996 c 366 s 4; 1999 c 214 art 3 s 22-28; 2005 c 107 art 3 s 10-14

141.28 Prohibitions.

Subdivision 1. Not to advertise state approval.

Schools, agents of schools, and solicitors may not advertise or represent in writing or orally that such school is approved or accredited by the state of Minnesota, except that any school, agent, or solicitor may advertise that the school and solicitor have been duly licensed by the state using the following language:

"(Name of school) is licensed as a private career school with the Minnesota Higher Education Services Office. Licensure is not an endorsement of the institution. Credits earned at the institution may not transfer to all other institutions. The

educational programs may not meet the needs of every student or employer."

Subd. 2. Unlawful designation. No school organized after November 15, 1969, shall apply to itself either as a part of its name or in any other manner the designation of "college" or "university" unless such school applies for and receives certification from the office that it meets appropriate standards and is entitled to such designation. Operating

schools now using such designation may continue use thereof.

Subd. 3. False statements. A school, agent, or solicitor shall not make, or cause to be made, any statement or representation, oral, written or visual, in connection with the offering or publicizing of a program, if the school, agent, or solicitor knows or reasonably should have known the statement or representation to be false, fraudulent, deceptive, substantially inaccurate, or misleading.

Subd. 4. Acceptance of contracts. No school shall accept contracts, enrollment agreements or enrollment applications from an agent or solicitor who does not have a current permit.

Subd. 5. Improbable program completion or employment. A school, agent, or solicitor shall not enroll a prospective student when it is obvious that the prospective student is unlikely to successfully complete a program or is unlikely to qualify for employment in the vocation or field for which the preparation is designed unless this fact is affirmatively disclosed to the prospective student. If a prospective student expresses a desire to enroll after such disclosure, a disclaimer may be obtained by the school. The disclaimer shall be signed by the student and shall state substantially one or both of the following: "I am fully aware that it is unlikely I will be able to successfully complete the program" and "I am fully aware of the improbability or impossibility that I will qualify for employment in the vocation or field for which the program was designed."

Subd. 6. Financial aid payments. (a) All schools must collect, assess, and distribute funds received from loans or other financial aid as provided in this subdivision.

(b) Student loans or other financial aid funds received from federal, state, or local governments or administered in accordance with federal student financial assistance programs under title IV of the Higher Education Act of 1965, as amended, United States Code, title 20, chapter 28, must be collected and applied as provided by applicable federal, state, or local law or regulation.

(c) Student loans or other financial aid assistance received from a bank, finance or credit card company, or other private lender must be collected or disbursed as provided in paragraphs (d) and (e).

(d) Loans or other financial aid payments for amounts greater than \$3,000 must be disbursed:

(1) in two equal disbursements, if the term length is more than four months. The loan or payment amounts may be disbursed no earlier than the first day the student attends class with the remainder to be disbursed halfway through the term; or

(2) in three equal disbursements, if the term length is more than six months. The loan or payment amounts may be disbursed no earlier than the first day the student attends class, one-third of the way through the term, and two-thirds of the way through the term.

(e) Loans or other financial aid payments for amounts less than \$3,000 may be disbursed as a single disbursement on the first day a student attends class, regardless of term length.

(f) No school may enter into a contract or agreement with, or receive any money from, a bank, finance or credit card company, or other private lender, unless the private lender follows the requirements for disbursements provided in paragraphs (d) and (e).

HIST: 1969 c 866 s 8; 1973 c 714 s 13-15; 1Sp1985 c 11 s 73; 1986 c 444; 1992 c 513 art 1 s 27; 1995 c 212 art 3 s 59; 1999 c 214 art 3 s 29,30; 2005 c 107 art 3 s 15,16

141.29 Revocation of license or permit.

Subdivision 1. Grounds. The office may, after notice and upon providing an opportunity for a hearing, under chapter 14 if requested by the parties adversely affected, refuse to issue, refuse to renew, revoke, or suspend a license or solicitor's permit for any of the following grounds:

(1) violation of any provisions of sections 141.21 to 141.35 or any rule adopted by the office;

(2) furnishing to the office false, misleading, or incomplete information;

(3) presenting to prospective students information relating to the school that is false, fraudulent, deceptive, substantially inaccurate, or misleading;

(4) refusal to allow reasonable inspection or supply reasonable information after written request by the office;

(5) the existence of any circumstance that would be grounds for the refusal of an initial or renewal license under section 141.25.

Subd. 2. Appeal. Any order refusing, revoking, or suspending a school's license or a solicitor's permit is appealable in accordance with chapter 14. Where a school has been operating and its license has been revoked, suspended, or refused by the office, the order is not effective until the final determination of the appeal unless immediate effect is ordered by the court.

Subd. 3. Powers and duties. The office shall have (in addition to the powers and duties now vested therein by law) the following powers and duties:

(a) To negotiate and enter into interstate reciprocity agreements with similar agencies in other states, if in the judgment of the office such agreements are or will be helpful in effectuating the purposes of Laws 1973, chapter 714;

(b) To grant conditional school license for periods of less than one year if in the judgment of the office correctable deficiencies exist at the time of application and when refusal to issue school license would adversely affect currently enrolled students;

(c) The office may upon its own motion, and shall upon the verified complaint in writing of any person setting forth fact which, if proved, would constitute grounds for refusal or revocation under Laws 1973, chapter 714, investigate the actions of any applicant or any person or persons holding or claiming to

hold a license or permit. However, before proceeding to a hearing on the question of whether a license or permit shall be refused, revoked or suspended for any cause enumerated in subdivision 1, the office shall grant a reasonable time to the holder of or applicant for a license or permit to correct the situation. If within such time the situation is corrected and the school is in compliance with the provisions of this chapter, no further action leading to refusal, revocation, or suspension shall be taken.

HIST: 1969 c 866 s 9; 1973 c 714 s 16,17; 1982 c 424 s 130; 1983 c 247 s 61; 1985 c 248 s 70; 1986 c 444; 1992 c 513 art 1 s 27; 1995 c 212 art 3 s 59; 1996 c 366 s 5; 1999 c 214 art 3 s 31; 2005 c 107 art 3 s 17

141.30 Inspection.

(a) The office or a delegate may inspect the instructional books and records, classrooms, dormitories, tools, equipment and classes of any school or applicant for license at any reasonable time. The office may require the submission of a certified public audit, or if there is no such audit available the office or a delegate may inspect the financial books and records of the school. In no event shall such financial information be used by the office to regulate or set the tuition or fees charged by the school.

(b) Data obtained from an inspection of the financial records of a school or submitted to the office as part of a license application or renewal are nonpublic data as defined in section 13.02, subdivision 9. Data obtained from inspections may be disclosed to other members of the office, to law enforcement officials, or in connection with a legal or administrative proceeding commenced to enforce a requirement of law.

HIST: 1969 c 866 s 10; 1973 c 714 s 18; 1986 c 444; 1992 c 513 art 1 s 27; 1995 c 212 art 3 s 59; 1999 c 227 s 13; 2005 c 107 art 3 s 18

141.31 Injunction.

Upon application of the attorney general the district courts shall have jurisdiction to enjoin any violation of sections 141.21 to 141.35.

HIST: 1969 c 866 s 11; 1999 c 214 art 3 s 32

141.32 Penalty.

Violation of a provision of this chapter shall be a misdemeanor. Each day's failure to comply with this chapter shall be a separate violation. The office shall adopt rules establishing a list of civil penalties and the fine associated with each violation. Fines for violations shall not exceed \$500 per day per violation.

HIST: 1969 c 866 s 12; 1971 c 23 s 13; 1973 c 714 s 19; 1Sp1985 c 11 s 74; 1999 c 214 art 3 s 33

141.33 Repealed, 1996 c 310 s 1

141.34 Repealed, 1996 c 310 s 1

141.35 Exemptions.

Sections 141.21 to 141.35 shall not apply to the following:

- (1) public postsecondary institutions;
- (2) private postsecondary institutions registered under sections 136A.61 to 136A.71 ~~that are nonprofit, or that are for profit and registered under sections 136A.61 to 136A.71 as of December 31, 1998, or are approved to offer exclusively baccalaureate or postbaccalaureate programs;~~
- (3) schools of nursing accredited by the state Board of Nursing or an equivalent public board of another state or foreign country;
- (4) private schools complying with the requirements of section 120A.22, subdivision 4;
- (5) courses taught to students in a valid apprenticeship program taught by or required by a trade union;
- (6) schools exclusively engaged in training physically or mentally handicapped persons for the state of Minnesota;
- (7) schools licensed by boards authorized under Minnesota law to issue licenses;
- (8) schools and educational programs, or training programs, contracted for by persons, firms, corporations, government agencies, or associations, for the training of their own employees, for which no fee is charged the employee;
- (9) schools engaged exclusively in the teaching of purely avocational, recreational, or remedial subjects as determined by the office;
- (10) driver training schools and instructors as defined in section 171.33, subdivisions 1 and 2;
- (11) classes, courses, or programs conducted by a bona fide trade, professional, or fraternal organization, solely for that organization's membership;
- (12) programs in the fine arts provided by organizations exempt from taxation under section 290.05 and registered with the attorney general under chapter 309. For the purposes of this clause, "fine arts" means activities resulting in artistic creation or artistic performance of works of the imagination which are engaged in for the primary purpose of creative expression rather than commercial sale or employment. In making this determination the office may seek the advice and recommendation of the Minnesota Board of the Arts;
- (13) classes, courses, or programs intended to fulfill the continuing education requirements for licensure or certification in a profession, that have been approved by a legislatively or judicially established board or agency responsible for regulating the practice of the profession, and that are offered exclusively to an individual practicing the profession;
- (14) classes, courses, or programs intended to prepare students to sit for undergraduate, graduate, postgraduate, or occupational licensing and occupational entrance examinations;
- (15) classes, courses, or programs providing 16 or fewer clock hours of instruction that are not part of the curriculum for an occupation or entry level employment;
- (16) classes, courses, or programs providing instruction in personal development, modeling, or acting;
- (17) training or instructional programs, in which one instructor teaches an individual student, that are not part of the curriculum for an occupation or are not intended to prepare

a person for entry level employment; and
(18) schools with no physical presence in Minnesota, as determined by the office, engaged exclusively in offering distance instruction that are located in and regulated by other states or jurisdictions.

NEW

(19) Religious Schools that meet the following criteria:

a) Any school or any department or branch of a school (i) which is substantially owned, operated or supported by a bona fide church or religious organization; (ii) whose programs are primarily designed for, aimed at and attended by persons who sincerely hold or seek to learn the particular religious faith or beliefs of that church or religious organization; and (iii) whose programs are primarily intended to prepare its students to become ministers of, to enter into some other vocation closely related to, or to conduct their lives in consonance with, the particular faith of that church or religious organization, is exempt from the provisions of this statute

b) This exemption shall not extend to any school or to any department or branch of a school which through advertisements or solicitations represents to any students or prospective students that the school, its aims, goals, missions or purposes or its programs are different from those described in subdivision a). This exemption shall not extend to any school which represents to any student or prospective student that the major purpose of its programs is to prepare the student for a vocation not closely related to that particular religious faith, or to provide the student with a general educational program recognized by other schools or the broader educational, business or social community as being substantially equivalent to the educational programs offered by schools or departments or branches of schools which are not religious in nature and are not exempt from this statute and rules adopted pursuant hereto.

c) Nothing in this statute or the rules adopted pursuant hereto, shall be interpreted as permitting the office to determine the truth or falsity of any particular set of religious beliefs.

HIST: 1969 c 866 s 15; 1973 c 714 s 20; 1977 c 59 s 1; 1980 c 559 s 4; 1989 c 209 art 1 s 13; art 2 s 1; 1990 c 562 art 3 s 11; 1992 c 513 art 1 s 27; 1995 c 212 art 3 s 59; 1998 c 397 art 11 s 3; 1999 c 214 art 3 s 34; 2005 c 107 art 3 s 19

141.36 Repealed, 1999 c 214 art 3 s 36

141.01 Repealed, 1969 c 866 s 17

141.02 Repealed, 1969 c 866 s 17

141.03 Repealed, 1969 c 866 s 17

141.04 Repealed, 1969 c 866 s 17

141.05 Repealed, 1969 c 866 s 17

141.06 Repealed, 1969 c 866 s 17

141.07 Repealed, 1969 c 866 s 17

141.08 Repealed, 1969 c 866 s 17

141.09 Repealed, 1969 c 866 s 17

141.10 Repealed, 1969 c 866 s 17

141.11 Repealed, 1969 c 866 s 17

141.22 Repealed, 1999 c 214 art 3 s 36

141.24 Repealed, 1983 c 260 s 68

141.27 Repealed, 1973 c 714 s 21

141.33 Repealed, 1996 c 310 s 1
141.34 Repealed, 1996 c 310 s 1
141.36 Repealed, 1999 c 214 art 3 s 36

Exhibit D

Amended MN Statute Chap. 136A.61 - 136A.71

Private Institution Registration: Statutes, Chapter 136A.61-.71

136A.61 Policy.

The legislature has found and hereby declares that the availability of legitimate courses and programs leading to academic degrees offered by responsible private institutions of post-secondary education and the existence of legitimate private colleges and universities are in the best interests of the people of this state. The legislature has found and declares that the state can provide assistance and protection for persons choosing private institutions and programs, by establishing policies and procedures to assure the authenticity and legitimacy of private post-secondary education institutions and programs. The legislature has also found and declares that this same policy applies to any public post-secondary educational institution located in another state or country which offers or makes available to a Minnesota resident any course, program or educational activity which does not require the leaving of the state for its completion.

HIST: 1975 c 201 s 1; 1978 c 603 s 1

136A.62 Definitions.

Subdivision 1. Words, terms, and phrases. The following words, terms, and phrases shall have the meanings ascribed to them in this section for the purposes of sections 136A.61 to 136A.71.

Subd. 2. Office. "Office" means the Minnesota higher education services office.

Subd. 3. School. "School" means **any individual or entity** ~~any individual, partnership, company, firm, society, trust, association, corporation, or any combination thereof,~~ which

(a) **is, owns, or operates a private post-secondary education institution;**

(b) **provides a post-secondary instructional program or course of instruction leading to an Associate of Arts, Associate of Science, Associate in Applied Science, or higher degree, or**

~~(c) is, owns, or operates a private, post-secondary education institution which uses the term "college", "academy", "institute" or "university" in its name; or~~

~~(d)~~

~~(c) operates for profit and provides programs or courses which are intended to allow an individual to fulfill in part or totally the requirements necessary to maintain a license to practice an occupation. School shall also mean~~ any public post-secondary educational institution located in another state or country which offers or makes available to a Minnesota resident any course,

program or educational activity which does not require the leaving of the state for its completion;
and

(d) any individual or entity that contracts with any school located within the state of Minnesota for the purpose of providing educational programs, training programs, or to award post secondary credits or continuing education credits to Minnesota residents which may be applied to a degree program.

Subd. 4. Degree. "Degree" means any award given by a school for completion of a program or course which is designated by the term **Associate of Arts, Associate of Science, Associate in Applied Science** bachelor, baccalaureate, masters, or doctorate, ~~or any other award which the office shall include by rule.~~

Subd. 5. Records. "Records" means those school documents and files containing student data relating to academic credits, grades, degrees awarded, periods of attendance, and such other matters as the office shall determine by rule.

HIST: 1975 c 201 s 2; 1975 c 271 s 6; 1978 c 603 s 2; 1985 c 248 s 70; 1995 c 212 art 3 s 39,59
136A.63 Registration.

All schools located within Minnesota and all schools located outside Minnesota which offer programs or courses within Minnesota shall register annually with the office.

HIST: 1975 c 201 s 3; 1975 c 271 s 6; 1978 c 603 s 3; 1995 c 212 art 3 s 59

136A.64 Information.

Subdivision 1. As a basis for registration, schools shall provide the office with such information as the office needs to determine the nature and activities of the school, including but not limited to, requirements for admission, enrollments, tuition charge, refund policies, curriculum, degrees granted, and faculty employed. The office shall have the authority to verify the accuracy of the information submitted to it by inspection or any other means it deems necessary.

Subd. 2. The office shall not disclose financial records provided to it by a school pursuant to this section except for the purpose of defending, at hearings pursuant to chapter 14, or other appeal proceedings, its decision to approve or not to approve the granting of degrees or the use of a name by the school. Section 15.17, subdivision 4, shall not apply to such records.

HIST: 1975 c 201 s 4; 1975 c 271 s 6; 1978 c 603 s 4; 1982 c 424 s 130; 1995 c 212 art 3 s 59

136A.65 Approval of degrees and name.

Subdivision 1. No school subject to registration shall grant a degree unless such degree is approved by the office, nor shall any school subject to registration use the name "college," "academy," "institute" or "university" in its name without approval by the office.

Subd. 2. The office shall establish procedures for approval, including notice and an opportunity for a hearing pursuant to chapter 14 if such approval is not granted. If a hearing is requested, no disapproval shall take effect until after such hearing.

Subd. 3. A school subject to registration shall be granted approval to use the term "college," "academy," "institute" or "university" in its name whether or not it offers a program leading to a degree, if it was organized, operating and using such term in its name on or before August 1, 1975, and if it meets the other policies and standards for approval established by the office.

HIST: 1975 c 201 s 5; 1975 c 271 s 6; 1978 c 603 s 5; 1982 c 424 s 130; 1995 c 212 art 3 s 59

136A.653 Exemptions.

Subdivision 1. A school that is subject to licensing by the office under chapter 141, is exempt from the provisions of sections 136A.61 to 136A.71. The determination of the office as to whether a particular school is subject to regulation under chapter 141 is final for the purposes of this exemption.

Subd. 2. Educational programs which are sponsored by a bona fide and nonprofit trade, labor, business, professional or fraternal organization, which programs are conducted solely for that organization's membership or for the members of the particular industries or professions served by that organization, and which are not available to the public on a fee basis, are exempted from the provisions of sections 136A.61 to 136A.71.

Subd. 3. Educational programs which are sponsored by a business firm for the training of its employees or the employees of other business firms with which it has contracted to provide educational services at no cost to the employees are exempted from the provisions of sections 136A.61 to 136A.71.

Subd. 4. Any school or program exempted from the provisions of sections 136A.61 to 136A.71 by the provisions of this section may voluntarily submit to the provisions of those sections.

HIST: 1978 c 603 s 6; 1Sp1993 c 2 art 2 s 18; 1995 c 212 art 3 s 59

136A.657 Exemption; religious schools.

Subdivision 1. Any school or any department or branch of a school (a) which is substantially owned, operated or supported by a bona fide church or religious organization; (b) whose programs are primarily designed for, aimed at and attended by persons who sincerely hold or seek to learn the particular religious faith or beliefs of that church or religious organization; and (c) whose programs are primarily intended to prepare its students to become ministers of, to enter into some other vocation closely related to, or to conduct their lives in consonance with, the particular faith of that church or religious organization, is exempt from the provisions of sections 136A.61 to 136A.71.

Subd. 2. This exemption shall not extend to any school or to any department or branch of a school which through advertisements or solicitations represents to any students or prospective

students that the school, its aims, goals, missions or purposes or its programs are different from those described in subdivision 1. This exemption shall not extend to any school which represents to any student or prospective student that the major purpose of its programs is to prepare the student for a vocation not closely related to that particular religious faith, or to provide the student with a general educational program recognized by other schools or the broader educational, business or social community as being substantially equivalent to the educational programs offered by schools or departments or branches of schools which are not exempt from sections 136A.61 to 136A.71, and rules adopted pursuant thereto.

Subd. 3. Nothing in sections 136A.61 to 136A.71, or the rules adopted pursuant thereto, shall be interpreted as permitting the office to determine the truth or falsity of any particular set of religious beliefs.

HIST: 1978 c 603 s 7; 1995 c 212 art 3 s 59

136A.66 List.

The office shall maintain a list of schools authorized to grant degrees and schools authorized to use the name "college," "academy," "institute" or "university," and shall make such list available to the public.

HIST: 1975 c 201 s 6; 1975 c 271 s 6; 1995 c 212 art 3 s 59

136A.67 Unauthorized representations.

No school and none of its officials or employees shall advertise or represent in any manner that such school is approved or accredited by the office or state of Minnesota except that any school which is duly registered with the office, or any of its officials or employees, may represent that the school is registered with the office.

HIST: 1975 c 201 s 7; 1975 c 271 s 6; 1995 c 212 art 3 s 59

136A.68 Records.

After August 1, 1975, all schools located in this state must maintain permanent records of all students enrolled therein at any time. The office may require schools to provide a plan acceptable to the office for preserving all such records for at least ten years. The office may require that such plan include the filing of a continuous surety bond or a deposit of funds in trust in an amount not to exceed \$20,000 for the purpose of preserving records after such school ceases to exist.

HIST: 1975 c 201 s 8; 1975 c 271 s 6; 1995 c 212 art 3 s 59

136A.685 Private institutions; adjudication of fraud or misrepresentation.

The office shall not provide registration or degree or name approval to a school if there has been a criminal, civil, or administrative adjudication of fraud or misrepresentation in Minnesota or in another state or jurisdiction against the school or its owner, officers, agents, or sponsoring organization. Such an adjudication of fraud or misrepresentation shall be sufficient cause for the office to determine that a school:

- (1) does not qualify for exemption under section 136A.657; or
- (2) is not approved to grant degrees or to use the term "academy," "institute," or "university" in its name.

HIST: 1995 c 212 art 3 s 40; 1996 c 366 s 1

136A.69 Fees.

Subd. 1 The office shall collect reasonable registration fees that are sufficient to recover, but do not exceed, its costs of administering the registration program. The office shall charge \$1,100 for initial registration fees and \$950 for annual renewal fees.

Subd. 2 Degree level addition fee. The office processing fee for adding a degree level to an existing program is \$2,000 per program.

Subd. 3. Program addition fee. The office processing fee for adding a program that represents a significant departure

in the objectives, content, or method of delivery of programs that are currently offered by the school is \$500 per program.

Subd. 4. Visit or consulting fee. If the office determines that a fact-finding visit or outside consultant is necessary to review or evaluate any new or revised program, the office shall be reimbursed for the expenses incurred related to the review as follows:

- (1) \$300 for the team base fee or for a paper review conducted by a consultant if the office determines that a fact-finding visit is not required;
- (2) \$300 for each day or part thereof on site per team member; and
- (3) the actual cost of customary meals, lodging, and related travel expenses incurred by team members.

Subd. 5. Modification fee. The fee for modification of any existing program is \$100 and is due if there is:

- (1) an increase or decrease of 25 percent or more, from the original date of program approval, in clock hours, credit hours, or calendar length of an existing program;
- (2) a change in academic measurement from clock hours to credit hours or vice versa; or
- (3) an addition or alteration of courses that represent a 25 percent change or more in the objectives, content, or methods of delivery.

HIST: 1975 c 201 s 9; 1975 c 271 s 6; 1989 c 293 s 58; 1Sp1993 c 2 art 2 s 19; 1995 c 212 art 3 s 41

136A.71 Injunction.

Upon application of the attorney general the district courts shall have jurisdiction to enjoin any violations of sections 136A.61 to 136A.71.

HIST: 1975 c 201 s 11

9/23/97