

CHAPTER 4880
MINNESOTA OFFICE OF HIGHER EDUCATION
PRIVATE CAREER SCHOOLS

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4880.0100 [Repealed, L 1993 c 224 art 12 s 39; L 1994 c 532 art 2 s 14; L 1994 c 647 art 8 s 32]

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4880.1400 [Repealed, L 1993 c 224 art 12 s 39; L 1994 c 532 art 2 s 14; L 1994 c 647 art 8 s 32]

4880.1500 SCOPE.

Parts 4880.1500 to 4880.2800 govern licensing of private career schools.

Statutory Authority: *MS s 136A.01*

History: *20 SR 2214; L 1999 c 214 art 3 s 1; 24 SR 1289*

4880.1600 CONTRACTS BY UNLICENSED SCHOOLS.

When a contract with a student is deemed unenforceable pursuant to Minnesota Statutes, section 141.25, subdivision 2, a school must refund all tuition, fees, and other charges received from the student or prospective student within 30 days of written notification from the Minnesota Office of Higher Education.

Statutory Authority: *MS s 136A.01*

History: *20 SR 2214; L 2005 c 107 art 2 s 60*

4880.1700 APPLICATION FOR LICENSURE.

Subpart 1. **Name of school.** The title or name of the school as it appears on the application for licensure must be used in all advertising, catalogs, brochures, contracts, letterheads, electronic display, and any other written materials or oral presentations made in Minnesota by school representatives.

Subp. 2. **Schools at more than one location.** Schools offering programs at more than one location must provide all information required under Minnesota Statutes, section 141.25, subdivision 3, for each school location, on forms provided by the office. If this information is the same for each location, the school must clearly indicate that on the forms.

Subp. 3. **Instructor and program administrator qualifications.** The school must provide the office with each instructor's name and academic degrees earned, applicable education and experience as specified in part 4880.1900, and courses each instructor teaches.

Subp. 4. **Program.** A program is a course or a grouping of courses that is advertised or listed in the school's catalog, brochures, electronic display, or other publications, or for which the school grants a degree, diploma, or certificate. A program is the same as a "course of instruction." For each program, the school must provide the following information:

- A. title of program and formal recognition awarded;
- B. geographic location;
- C. proposed implementation date;
- D. length of program in quarter or semester credits, lessons, or clock hours;
- E. number of graduates expected annually;
- F. curriculum required to complete the program, including:
 - (1) outline of each course and its objectives, subjects, and units;
 - (2) type of work or skill to be learned; and
 - (3) approximate time, hours, or credits to be spent on each subject or unit;
- G. employment opportunities for graduates;
- H. physical resources that will be provided by the school;
- I. physical resources that students need to provide for themselves;
- J. information services that will be provided by the school;
- K. academic and administrative mechanisms for monitoring the quality of the program; and
- L. documentation of availability, location, and supervision of clinical, internship, practicum, or externship sites, if applicable.

Subp. 5. [Repealed, 24 SR 1289]

Subp. 6. **Changes after issuance of license.** If a change occurs in any of the information required by Minnesota Statutes, section 141.25, subdivision 3, during the licensure year, the school must inform the office within 30 days of the change.

Subp. 7. **Change of ownership.** Within 30 days of a change in ownership or control, a school must submit a licensure renewal application with the appropriate fee to the office.

Subp. 8. **New program.** Prior to implementation of a new program, a school must submit the information required under subpart 4 to the office. The office must notify the

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school no later than 60 days after receipt of the required information whether the proposed new program meets the standards specified in Minnesota Statutes, section 141.25, subdivision 7, clause (3), and whether the proposed new program can be added to the list of programs offered by the school.

Statutory Authority: *MS s 136A.01*

History: *20 SR 2214; 24 SR 1289*

4880.1800 STANDARDS FOR SCHOOL FACILITIES AND STUDENT HOUSING.

Subpart 1. **Sanitation and safety.** The premises and conditions under which students work and study and the living quarters that are owned or approved for student housing by a school must meet the sanitation and safety requirements of all local and state regulating agencies.

Subp. 2. **Inspection reports.** Copies of inspection reports by the local fire department or the state fire marshal must be filed with the office.

Subp. 3. **Clinical, internship, practicum, or externship sites.** The school must obtain sites for students to complete clinical, internship, practicum, or externship activities if required by the program.

Subp. 4. **Library and information services.** The school must furnish library resources and information services to support the educational programs it offers.

Statutory Authority: *MS s 136A.01*

History: *20 SR 2214; 24 SR 1289*

4880.1900 STANDARDS FOR INSTRUCTORS.

All instructors must have:

A. recognized standing as a tradesperson or specialist supported by evidence from previous employers, or the possession of a baccalaureate degree;

B. a high school diploma or its equivalent; and

C. 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.

Statutory Authority: *MS s 136A.01*

History: *20 SR 2214; 24 SR 1289*

4880.2000 STANDARDS FOR OUT-OF-STATE SCHOOLS.

All requirements, regulations, or standards approved and adopted by the office, including qualifications of instructors, are applicable to out-of-state schools required to be licensed pursuant to Minnesota Statutes, chapter 141.

Statutory Authority: *MS s 136A.01*

History: *20 SR 2214*

4880.2100 CONTENTS OF CATALOG, BROCHURE, OR ELECTRONIC DISPLAY.

Subpart 1. **Refund policy.** The catalog, brochures, or electronic display of a school must state the refund policy that includes the requirements in Minnesota Statutes, section 141.271.

Subp. 2. **Clinical, internship, practicum, or externship sites.** The school must have available for review, by students and prospective students, a list of its current clinical, internship, practicum, or externship sites for programs that require this experience for completion of a program.

Subp. 3. **Supplementary information.** If supplementary information is added to printed medium, additional pages must be included as part of the catalog or brochures.

The supplementary page or pages must be clearly identified as affecting Minnesota students. If information on supplementary pages contradicts the catalog or brochures, it must clearly indicate on these pages that the supplementary information supersedes information contained elsewhere in the catalog or brochures. Schools using electronic display must clearly indicate the changes that have occurred since the most recent update of the display and indicate the date the changes occurred.

Subp. 4. **Submitting changes.** If a school proposes to change information required by Minnesota Statutes, section 141.25, subdivision 9, that is contained in the school catalog, brochures, or electronic display during the license year, the school must submit the revised catalog, brochures, or electronic display to the office for review and approval prior to distribution to students or prospective students. The office must notify the school, to let the school know whether the changes have been approved, no later than 30 days after receipt of the submitted materials.

Statutory Authority: *MS s 136A.01*

History: *20 SR 2214; 24 SR 1289*

4880.2200 PLACEMENT.

Subpart 1. **Standards.** For each program, the majority of graduates seeking employment must be able to secure at least entry level positions in the occupation for which they have been prepared, or a related occupation.

Subp. 2. **Report.** A certified copy of the school's placement record of students who graduated in the year prior to the year for which the license is to be issued must be filed with the office with the licensure renewal application. In addition to the information specified in Minnesota Statutes, section 141.25, subdivision 10, the report must include the complete mailing address of each graduate's place of employment.

Statutory Authority: *MS s 136A.01*

History: *20 SR 2214; 24 SR 1289*

4880.2300 SOLICITORS.

A school must not authorize a solicitor to engage in sales activities until the solicitor provides evidence of a solicitor's permit. A person obtaining a solicitor's permit must be referred to orally and in writing as a "solicitor" or "representative." A school must not refer to a solicitor as a "counselor" or "registrar." A school may file a blanket surety bond to cover all of its solicitors instead of the solicitor's bond specified in Minnesota Statutes, section 141.26, subdivision 3, provided the amount of the blanket bond is not less than the amount specified in Minnesota Statutes, section 141.26, multiplied by the number of solicitors employed by the school.

Statutory Authority: *MS s 136A.01*

History: *20 SR 2214; 24 SR 1289*

4880.2400 LICENSURE REQUIREMENTS FOR AVOCATIONAL SCHOOLS.

A school that promises, makes reference to, or advertises preparation for gainful employment upon completion of one of its programs shall not be considered as engaged exclusively in the teaching of purely avocational or recreational subjects under Minnesota Statutes, section 141.35, clause (j), and shall be subject to licensure under parts 4880.1500 to 4880.2800.

Statutory Authority: *MS s 136A.01*

History: *20 SR 2214; 24 SR 1289*

4880.2500 CATEGORIES OF CHAPTER 141 SCHOOLS.

Subpart 1. **Definitions.** For purposes of this part, the following terms have the meanings given.

A. "Examination" means an examination administered by a national or state testing body, the state of Minnesota, or the federal government for licensure or other certification in a profession or occupation.

B. "Graduate" means an individual who has received a degree, diploma, or certificate for completion of a program during the most recent 12-month period that ended June 30 for which data are available.

C. "Passing rate" means the number of the school's graduates who passed the examination, as reported by the testing agency, as a percent of the number of the school's graduates who took the examination during the most recent 12-month period ending June 30 for which data are available.

D. "Placement" means a graduate who, within 12 months after graduation, has obtained a paid position of employment and the position is in an occupation related to the educational program, as reported by the graduate, the graduate's parent or guardian, spouse or domestic partner, adult sibling, employer, or instructional staff at the school.

E. "Placement rate" means the number of graduates in a cohort who obtained employment related to their education program as a percent of the total number of graduates in the cohort. For purposes of this item, a "cohort" is a class or group of students of the school that graduate in the same year.

F. "Program" means a vocational or professional program preparing students for an occupation which requires licensure or other certification by examination for entry into the occupation in Minnesota and completion of the program is required for admission to the examination. This definition applies only to a category C school under subpart 2, item C, subitem (3).

Subp. 2. **Categories of schools.** Schools licensed under Minnesota Statutes, chapter 141, must qualify under one of the three following categories of schools:

A. A category A school must, for reporting purposes, satisfy all of the licensure requirements under parts 4880.1500 to 4880.2800 and Minnesota Statutes, chapter 141.

B. A category B school must, for reporting purposes, satisfy all of the licensure requirements under parts 4880.1500 to 4880.2800, Minnesota Statutes, chapter 141, and meet all of the following conditions:

(1) the school must offer at least one program for which a degree is granted to those who successfully complete the prescribed curriculum. A 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 the degrees offered by the school;

(2) the school must verify that it has achieved full institutional reaccreditation with an accreditation agency recognized by the United States Department of Education; and

(3) the school must provide evidence that there has been no determination of limitation, suspension, or termination by the United States Department of Education within the past five years.

C. A category C school must, for reporting purposes, satisfy all of the licensure requirements under parts 4880.1500 to 4880.2800, Minnesota Statutes, chapter 141, and meet all of the following applicable performance indicators:

(1) the school must verify that it has achieved full institutional reaccreditation with an accreditation agency recognized by the United States Department of Education;

(2) the school must have a cohort default rate equal to or less than an average of 15 percent for the previous three consecutive years, as calculated by the United States Department of Education;

(3) the passing rate of the school's graduates on licensure or other certification examinations must be equal to or greater than 85 percent of the national or state passing rate, based on a minimum of ten graduates sitting for the examination in any one year;

(4) the school must have a placement rate equal to or greater than 70 percent, based on a minimum of ten graduates from the school in any one year;

(5) the school's withdrawal rate for the three most recent consecutive years, as established by the Code of Federal Regulations, title 34, section 668.16, paragraph (1), must not exceed 33 percent;

(6) the school must receive a satisfactory audit by the office for the three most recent consecutive years. The school must provide evidence that it has adhered to:

(a) the refund policy as specified in Minnesota Statutes, section 141.271, or that any discrepancies noted by each audit report have been corrected within 90 days of issuance of the report to the school; and

(b) the requirement for student records pursuant to Minnesota Statutes, chapter 141, including acceptable academic transcripts and student financial account records, or that any discrepancies noted in an audit report have been corrected within 90 days of issuance of the report to the school;

(7) the school must provide evidence that there has been no determination of limitation, suspension, or termination by the United States Department of Education during the past five years; and

(8) the school must verify annually there have been no unresolved student complaints related to Minnesota Statutes, chapter 141, or its attendant rules during the preceding 12 months immediately prior to the relicensure notification from the office. The office will notify a school in writing when the office has determined that a student complaint has been resolved.

Subp. 3. **Relicensure report.** Schools that meet the requirements of subpart 2, item A, are required to submit a full licensure report every year. Schools that meet the requirements of subpart 2, items B and C, are required to submit a full relicensure report once every four years and in the interim years will be exempt from the requirements of parts 4880.1700, subpart 6, and 4880.2100, subpart 4; and Minnesota Statutes, section 141.25, subdivision 3, clauses (4), (5), and (8).

Statutory Authority: *MS s 136A.01*

History: *24 SR 1289*

4880.2600 SCHEDULE OF FEES.

Subpart 1. **Scope.** The following fees are applicable to schools regulated under Minnesota Statutes, chapter 141. A school is required to submit the amount specified in this part with each completed application.

When evaluation team members are selected, the school will be notified of the amount due. The amount must be received by the office before the team visits the school. When all other requirements for a license are met, the school will be billed for any additional evaluation team costs, if any are applicable.

A license or permit shall be granted only after receipt of all applicable fees. These fees are not refundable.

Subp. 2. **Application forms.** The fee for the application form is \$25.

Subp. 3. **Initial licensure fees.**

A. The office fee for processing licensure application is:

(1) \$1,000 for a school that will offer no more than one program its first year;

or

(2) \$2,000 for a school that will offer more than one program its first year.

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B. Evaluation team fees, if applicable, must be paid in advance of team visit and are:

- (1) \$300 for the team base fee; and
- (2) \$300 for each day or part thereof on site per team member.

Subp. 4. **Relicensure fees.**

A. For a school that offers one program, the relicensure fee is:

- (1) \$750 for a category A school; and
- (2) \$375 for a category B or C school.

B. For a school that offers more than one program, the relicensure fee is:

- (1) \$1,000 for a category A school; and
- (2) \$500 for a category B or C school.

Subp. 5. **Specific-purpose fees for licensed schools.** At the office's discretion, a fact-finding visit may be directed to review proposed changes and additions. The fees related to these visits are as follows:

A. The office processing fee for adding degree levels to approved programs is \$2,000.

B. The office processing fee for the addition of a program that represents a significant departure in the objectives, content, or method of delivery of programs currently offered is \$500.

C. The evaluation team fee for items A and B must be paid in advance and is:

- (1) \$300 for the team base fee; and
- (2) \$300 for each day or part thereof on site per team member.

D. The fee for a modification of an existing program is \$100. This fee is due if there is:

(1) a substantial 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) addition or alteration of courses that represent a significant departure in the objectives, content, or methods of delivery.

Subp. 6. **Solicitor permit.** The solicitor permit fee is \$250 and must be paid annually.

Subp. 7. **Miscellaneous fees.** The following miscellaneous fees are as follows:

A. a student transcript request from a closed school is \$10, with a maximum of five transcripts per request; and

B. the cost for copying documents is:

- (1) 25 cents a copy, plus shipping and handling for fewer than ten copies; and
- (2) ten cents a copy, plus shipping and handling for ten or more copies.

Statutory Authority: *MS s 136A.01*

History: *24 SR 1289*

4880.2700 SCHEDULE OF FINES.

Subpart 1. **Penalties.**

A. The office may assess any entity, which violates any provision of Minnesota Statutes, chapter 141, an administrative penalty in an amount not to exceed \$500 for each day for each violation. For purposes of this part, an "entity" is any natural person, board, partnership, association, corporation, or other entity, however organized.

B. The office must inform the entity of the alleged violation by certified mail, return receipt requested, prior to assessing an administrative penalty. This letter must specify the alleged violation, the steps that must be taken to correct the violation, the penalty that will be assessed if the violation is not corrected, and the time frame in which the corrections must occur.

C. If the entity does not respond to the office and make the required corrections in the specified time frame, the office will send a second certified letter, return receipt requested, and assess the penalty.

Subp. 2. **Procedure.** The total amount of an administrative penalty that is assessed must be specified in the second letter and calculated according to this subpart.

A. The number of days that an entity is in violation is the difference between the day on which the entity is notified, by receipt of certified letter, of its failure to correct the violation and the day on which the office notifies the entity that the violation has been corrected.

B. The total amount of an administrative penalty is the product of the number of days that an entity is in violation multiplied by the dollar amount per day penalty.

C. The office may assess an administrative penalty for each violation according to these procedures whenever one or more violations exists. Payment of the administrative penalty shall be due no later than seven business days after the receipt of the certified letter containing notice of assessment. The total amount of an administrative penalty shall be calculated on the number of days that the entity is in violation notwithstanding any appeals initiated by the entity. Failure to pay an administrative penalty within 30 days of its due date shall result in revocation of the license of the entity or denial of a license to an applicant.

Subp. 3. **Penalty amounts.** The office shall, for the purposes of determining and assessing an administrative penalty, use the following classifications:

A. Class 1 violation, \$500 per day:

- (1) entity operating without a license;
- (2) previously licensed school operating after expiration date of license;
- (3) previously licensed school operating multiple locations without authorization; or
- (4) previously licensed school operating without an adequate surety bond.

B. Class 2 violation by an existing school, \$250 per day:

- (1) failure to adhere to the refund policy stated in Minnesota Statutes, section 141.271, as noted in an annual office audit report;
- (2) failure to maintain student academic and financial aid record requirements as noted in an annual office audit report;
- (3) false statement about a material fact in application for initial or renewal license;
- (4) failure to file annual financial report within 120 days of the end of the institution's fiscal year unless such filing is not within the control of the institution; or
- (5) failure to file new or renewal solicitor's permit application and to pay applicable fee.

C. The assessment of an administrative penalty does not preclude the office from also revoking a school's license or denying a license to an applicant.

Statutory Authority: *MS s 136A.01*

History: *24 SR 1289*

**4880.2800 USE OF TERMS "COLLEGE" AND "UNIVERSITY";
AUTHORIZATION.**

Subpart 1. **Affected schools.** Private career schools organized or created after November 15, 1969, not exempted according to Minnesota Statutes, section 141.28, subdivision 2, which desire to use the term "college" or "university" as part of the school name must apply to the office for authorization. Application forms will be provided by the office upon request.

Subp. 2. **Minimum requirements.** Schools must satisfy the following minimum requirements:

A. Private career schools desiring to use the term "college" as part of their business name or any other designation must:

(1) be authorized to offer at least one program for which a degree is granted;
and

(2) be fully reaccredited for all degrees offered by a higher education accreditation agency that accredits degree-granting schools, and which is recognized by the United States Department of Education.

B. Private career schools desiring to use the term "university" as part of their business name or any other designation must:

(1) be authorized to offer more than one program for which a baccalaureate degree is granted, and at least one graduate or professional degree; and

(2) be fully reaccredited by a higher education accreditation agency that accredits degree-granting schools, and which is recognized by the United States Department of Education.

Subp. 3. **Out-of-state schools.** An out-of-state school which now uses the term "college" or "university" as part of its business name or any other designation in another state, which is authorized by the office to operate as a school in Minnesota, and which desires to use the term "college" or "university" as part of its business name or any other designation while operating in Minnesota, must satisfy the minimum requirements of subpart 2.

Statutory Authority: *MS s 136A.01*

History: *24 SR 1289*