
**Rules of
Department of Higher Education
Division 10—Commissioner of Higher Education
Chapter 5—Regulation of Proprietary Schools**

Title	Page
6 CSR 10-5.010	Rules for Certification of Proprietary Schools.....3

**Title 6—DEPARTMENT OF
HIGHER EDUCATION
Division 10—Commissioner of
Higher Education
Chapter 5—Regulation of Proprietary
Schools**

**6 CSR 10-5.010 Rules for Certification of
Proprietary Schools**

PURPOSE: This rule sets forth the standards and procedures through which all schools covered by the statutory authority, sections 173.600—173.618, RSMo, may be certified to operate consistent with a public policy ensuring the legitimacy of the purpose and programs of the schools, that the schools operate as represented and that students enrolling in the schools have financial and educational safeguards as provided in the rule.

(1) Definitions. Definitions are consistent with those set forth in the statutory authorization.

(A) Agent means any employee, solicitor or other person who, for remuneration by any means and at a place away from the school premises or site of instruction, enrolls or attempts to enroll a resident of this state in a course(s) of instruction or study offered or maintained by a proprietary school, wherever located, or otherwise holds him/herself out to a resident of this state as representing a proprietary school for these purposes.

(B) Coordinating board means the Coordinating Board for Higher Education (CBHE) created by section 173.005(2), RSMo.

(C) Certificate means any award that does not have a degree designation.

(D) Certificate of approval means approval by the coordinating board to operate a school in compliance with this rule and the provisions of sections 173.600—173.618, RSMo.

(E) Department means the Department of Higher Education created by section 173.005(1), RSMo.

(F) Degree means any award, earned or honorary, conferred with the designation of associate, baccalaureate, master, professional or professional development, specialist or doctorate.

(G) Operate means to establish, keep or maintain any facility at a location(s) in this state where, from or through which education is offered or given and shall include contracting with any person, group or entity to perform any such act.

(H) Person means any individual, corporation, partnership, association or business entity of any kind or description.

(I) Proprietary school or school means any person not specifically exempted in the authorizing statute which offers or maintains

on either a profit or not-for-profit basis within Missouri a course(s) of instruction or study through classroom instruction or correspondence or which grants certificates or earned or honorary degrees.

(J) Public institution means a post-secondary educational institution established by provisions of Missouri constitutional or statutory law or established by the voters of the district in which it is located, which is funded fifty percent (50%) or more of its operating costs from public funds; which is governed by a body appointed by the governor and approved by the senate, or selected by the voters of the district in which it is located and which operates on a not-for-profit basis.

(K) Religious degree or religious program means any degree or program with a specific theological, biblical, divinity or other religious designation.

(2) Jurisdiction. This rule is applicable to all proprietary schools and any schools requiring an exemption from the provisions of sections 173.600—173.618, RSMo by the coordinating board under section 173.616.2., RSMo.

(A) The following schools, training programs and courses of instruction shall be exempt from the provisions of sections 173.600—173.618, RSMo and formal application for that exemption is waived:

1. A public institution;

2. Any college or university represented directly or indirectly on the advisory committee of the CBHE as provided in section 173.005.3., RSMo;

3. An institution that is certified by the board as an approved private institution under section 173.205(2), RSMo; and

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

(B) Upon application, on forms provided by the coordinating board, and documentation of eligibility, as provided in this rule, the coordinating board shall exempt the following schools, training programs and courses of instruction from the provisions of sections 173.600—173.618, RSMo. The coordinating board shall deem the act of a school to grant degrees as establishing that the school engages in education and instruction and is required to obtain a certificate of approval or exempt status. Once granted, a status of exemption shall be subject to periodic review. The coordinating board may withdraw exemption status for proper cause, this withdrawal

constituting a denial of exemption, or require a subsequent application for exemption. Decision on the application for exemption shall be furnished to the school in writing. If exemption is denied, the basis for the denial shall be stated and the notice will be accompanied by forms on which to submit application for certification to operate. Denial of exemption may be appealed to the Administrative Hearing Commission:

1. A not-for-profit school owned, controlled and operated by a *bona fide* religious or denominational organization which offers no programs or degrees, and grants no degrees or certificates other than those specifically designated as theological, biblical, divinity or other religious designation shall be exempted upon satisfactory evidence of—

A. The identity and *bona fide* nature of the religious denomination or organization, together with documentation of ownership, control and operation of the school by the religious denomination or organization; and

B. The identity and designation of all degrees or certificates offered, including honorary and for instructional programs;

2. A not-for-profit school owned, controlled and operated by a *bona fide* eleemosynary organization which provides instruction with no financial charge to its students and at which no part of the instructional cost is defrayed by or through programs of governmental student financial aid, including grants and loans, provided directly to or for individual students shall be exempted upon satisfactory evidence of—

A. The identity and *bona fide* nature of the eleemosynary organization; and

B. The sources of income through which instructional costs are defrayed;

3. A school which offers instruction only in subject areas which are primarily for avocational or recreational purposes as distinct from courses to teach employable or marketable knowledge or skills, which does not advertise occupational objectives and which does not grant degrees shall be exempted upon satisfactory evidence that the school does not—

A. Advertise its instruction as conveying employable or marketable skills or knowledge;

B. Advertise or maintain placement services or cite placement rates; and

C. Grant any form of diploma other than a certificate of completion;

4. A course of instruction, study or training program sponsored by an employer for the training and preparation of its own employees shall be exempted upon satisfactory evidence that—

A. No form of diploma is granted other than a certificate of completion;



B. The training or instruction is available only to employees of the sponsoring employer;

C. The training or instruction is not the primary activity of the employer; and

D. The training or instruction is conducted directly by the employer and is not provided through contract or agreement with a second-party school or other entity. If the training or instruction is provided through contract with an entity other than the employer, the entity contracting to provide the training or instruction must be either exempt or certified to operate;

5. A course of study or instruction conducted by a trade, business or professional organization with a closed membership where participation in the course is limited to *bona fide* members of the trade, business or professional organization shall be exempted upon satisfactory evidence that—

A. No form of diploma is granted other than a certificate of completion, for which continuing education units may be granted;

B. The organization's membership is limited to *bona fide* members of the trade, business or profession;

C. The training or instruction is available only to *bona fide* members of the trade, business or profession; and

D. The training or instruction is conducted directly by the business or professional organization and is not provided through contract or agreement with a second-party school or other entity. If the training or instruction is provided through contract with an entity other than the business or professional organization, the entity contracting to provide the training or instruction must be either exempt or certified to operate;

6. A course of study or instruction for persons in preparation for an examination given by a state board or commission where the state board or commission approves that course and school shall be exempted upon satisfactory evidence that the state board or commission has approved the course and school;

7. A school or person whose clientele are primarily students aged sixteen (16) or under shall be exempt upon satisfactory evidence that students enrolled are primarily under the age of sixteen (16). Primarily, at a minimum, shall mean seventy-five percent (75%). The coordinating board shall exempt, without application all preschool, Montessori, and elementary and secondary schools subject to the standards of the Missouri Department of Elementary and Secondary Education. If, however, any private school with clientele primarily under the age of sixteen (16) offers any postsecondary degree or certificate, it shall not be eligible for this exemption; and

8. A school which is otherwise licensed and approved under and pursuant to any other licensing law of this state shall be exempted upon satisfactory evidence that the school has been lawfully licensed or approved by another Missouri state agency. A state certificate of incorporation shall not constitute licensing or approval for the purposes of eligibility for this exemption. A school which offers programs of instruction other than those included within the license or approval of another state agency shall not be eligible for this exemption.

(C) Any school, training program or course of instruction exempted in this rule may elect by majority action of its governing body or by action of its director to apply for approval of the school, training program or course of instruction under the provisions of sections 173.600—173.618, RSMo. However, any such school, if granted a certificate of approval to operate, shall comply with this rule as though that school were nonexempt. An exempted school voluntarily seeking and receiving certification may revert to exempt status upon application for exemption and approval by the coordinating board, but the board shall not grant exemption if the school is deemed in noncompliance with certification standards at the time of the application and reversion to an exempt status shall not relieve the school of any liability for indemnification or any penalty for noncompliance with certification standards during the period of the school's approved status.

(D) Exemption granted to any school as a not-for-profit school owned, controlled and operated by a *bona fide* religious, denominational or eleemosynary organization exempt from property taxation under the laws of this state prior to February 6, 1992 the effective date of this rule is withdrawn and that school must submit application to operate in compliance with this rule and sections 173.600—173.618, RSMo unless the school can establish eligibility for continued exemption under section (2) of this rule. A previously exempt school shall submit, as instructed by the coordinating board, either application for certification to operate or application for exemption under an applicable exemption category of this rule. Failure to submit this application shall be determined as noncompliance with the provisions of sections 173.600—173.618, RSMo and subject to the penalty provisions.

(3) Certification Standards. The following standards are established as minimum requirements which must be met in order for a school to be issued a certificate of approval to operate. As determined by the CBHE, compliance with these standards shall be demonstrated and verified in the application for

certification to operate and are subject to review and further determination by the coordinating board at any time.

(A) Institutional Standards.

1. The school must have an exact physical location(s).

2. The purpose of the school shall be legitimate and acceptable educationally, and shall be supported by the operations and programs of the school.

3. The physical plant and equipment of the school shall be commensurate in size, accommodations and condition to the purpose and programs of the school.

4. The school must be in current compliance with all pertinent ordinances and laws relating to the safety, health and security of the persons on the premises.

5. All media advertising and printed or published materials descriptive of the school must truly and accurately represent the characteristics of the school and must include the name of the school and shall specify either the school mailing address, the telephone number or both.

(B) Program Standards.

1. The instructional programs of the school must legitimately support the stated purpose of the school and each course of instruction must legitimately support the program to which it is applied.

2. The school shall maintain and provide each student in published or printed form the following information for each program and course of instruction offered. The information also shall be provided to prospective students upon request:

A. Specific titles and descriptions of content or competency;

B. Specific grade, credit hour and/or other achievements required for satisfactory completion;

C. The length of each program and course stated in definable units such as hours, days, weeks, months and/or terms;

D. Explanation of the system of evaluation and grading;

E. Explanation of the instructional method to be employed (classroom, lab, home study, etc.) for various stages of the instruction;

F. Exact designation of the certificate or degree bestowed upon satisfactory completion of each program; and

G. As applicable, the schedule of classes, including dates and times of meetings.

3. No earned certificate or degree may be given, awarded or granted solely on the basis of payment of tuition or fee, credit earned at another school(s), on the basis of credit for life experience or other equivalency, on the basis of testing out, on the basis of research and

writing, or solely on the basis of any combination of these factors.

(C) Personnel Standards.

1. The school must have a formal governance structure consistent with its form of ownership or corporate identity which is capable of adequately directing, administering and operating the school;

2. The school must have administrative, instructional and support personnel; and

3. All instructional personnel, including those who measure, assess or evaluate student achievement, shall have degree and/or experiential qualifications in excess of the level of instruction on which they are instructing and shall have qualifications in the subject or discipline area in which they are instructing.

(D) Financial Standards.

1. The school must have a sound financial structure with sufficient resources for its continued operation.

2. The school must demonstrate financial stability and responsibility through reasonably prompt satisfaction of operational financial obligations, its capital indebtedness obligations, its personnel payroll and its student financial refund obligations.

3. The school must have the required financial security deposit, on forms provided by the coordinating board, on file pursuant to the provisions of section 173.612.2(3), RSMo.

4. The school must administer governmental student financial aid, including both grants and loans, awarded through or by the school, in compliance with all applicable law and regulations.

5. The school must have a fair and equitable student tuition refund policy, as determined by the coordinating board. The enrollment agreement shall contain a statement of the refund policy and must state both the amount of any nonrefundable application fee and the formula or rules for refunds to students withdrawing or whose enrollment is otherwise discontinued. The refund policy must specify a maximum time lapse for the refund to be made and any conditions under which there would be no refund. The school also must disclose to the student any conditions under which the refund would be made to a person other than the student. Unless variation is authorized by the coordinating board based on program length or cost, fair and equitable shall mean provision of a reasonable refund formula through at least one-half (1/2) of the enrollment period.

6. The school must provide for a period during which an enrollment or admission agreement may be cancelled by the student

with refund of all monies paid. That cancellation period may not be fewer than three (3) days, exclusive of Saturday, Sunday and holidays. The enrollment agreement shall contain a statement of the cancellation policy and procedures.

7. The school must maintain, through a catalog or other printed or published informative material, and make available to students and prospective students, full disclosure of all financial charges to the students, including tuition, special fees, books, equipment, materials and supplies, room and board, if applicable, and any other charges made by the school, including information on payment policies and procedures and on student financial aid available and procedures to apply for that aid.

(E) Student Services Standards.

1. In addition to those disclosure requirements specified elsewhere in this rule, the school shall maintain, through a catalog or other printed or published informative material, and make available to all students and prospective students, full disclosure of the following:

A. Admission requirements which reasonably assure that the students admitted are capable of achieving and informed concerning the qualifications and competency levels necessary to achieve the stated goals of the instruction offered and which are nondiscriminatory in the application;

B. Information on conduct, dress, attendance and other policies governing students during their enrollment and the expectations of reprimand or punishment for violation of those policies;

C. Accurate description of instructional resources, including the physical facility, qualifications of individual instructional faculty, equipment and, if applicable, library;

D. Statement of any institutional or program accreditation or approval claimed; and

E. Statement of the formal policy and procedure for students to withdraw from a program of instruction or the school.

2. The school, through a written enrollment agreement, shall maintain and make available to all students, upon acceptance or enrollment, disclosure of the following:

A. The program in which the student is enrolled;

B. The beginning date of instruction and the length of the period of enrollment;

C. The cost of the program and the conditions of payment;

D. The cancellation policy maintained in compliance with this rule;

E. The refund policy maintained in compliance with this rule; and

F. Signatures of both the student and an authorized school representative and the dates of signing.

3. The school shall maintain a transcript record of each course of instruction, term and date of the courses, grade assigned for each course and, if applicable, the credit hours awarded for each course. The transcript accurately shall identify the name of the student, the name and address of the school, the exact award conferred, and date of conferral, upon satisfactory completion of the program and, upon issuance of an official transcript, the name, title and signature of the school official authorized to issue the transcript and the date of the issuance. The school shall maintain a policy providing for the issuance of transcripts. Unless the transcript is destroyed by an act of nature, the institution may not refuse to issue a transcript, on a student's written request, except for the reason of student nonpayment of a financial obligation to the school.

4. A school must maintain a location(s) for all student records, including the student transcript for both current and former students. In the event a school terminates its operations, it must file or make arrangements to file all student transcripts and financial account records in a permanent repository approved by the CBHE within fourteen (14) days of the termination date. Failure to do so shall result in forfeiture of the security deposit as required by section 173.612, RSMo.

(F) Information and Data Standards. Full compliance with all data and information requests and the submission of all data forms and required statements of the coordinating board shall be requisite to the issuance of a certificate of approval to operate, notwithstanding that a certificate of approval may be denied, revoked or suspended on the basis of data and information submitted, or for willfully submitting incorrect data. In order to be in compliance with the data and information requirements of the certification process, the school shall maintain the following information which shall be available for submission to and/or examination by the Department of Higher Education:

1. Institutional information and data.

A. The name of the school, current telephone number, current mailing address, the school's physical address and date of school establishment.

B. The form of ownership of the school, whether sole proprietorship, partnership, limited partnership or corporation, or non-Missouri public, along with the names, if applicable, of those persons holding a ten percent (10%) or more ownership interest in the school.



C. Verification of the school's accreditation by any national or regional accrediting entity and verification of any licensing or approval by an agency of the home state.

D. Assurances and documentation, of compliance with all pertinent ordinances and laws relating to the safety, health and security of persons on the school premises.

E. An official, dated statement of the school's objectives.

F. Sample copies of all media advertising and printed or published materials descriptive of the institution and employed within the past year.

G. Description of the school's instructional, administrative and support facilities located in Missouri.

H. The peak enrollment and the total student enrollment for the most recently completed calendar, fiscal, school or other year as designated by the coordinating board;

2. Program information and data.

A. The specific title of each instructional program and the certificate or degree granted for completion of each instructional program offered.

B. The specific courses, grade achievement and other requirements for the satisfactory completion of each instructional program, including, as applicable, total clock or credit hour requirements.

C. The title of specific courses or other units of instruction or achievement required for completion of each program along with a description of the content or competency sought by each course of instruction and, if a degree program, the number of credit hours for each course of instruction and/or instructional unit.

D. The length of study or time limit for each program.

E. The method of instruction by which the program requirements may be earned, including the specific courses or other required units which may be met by study at another institution, for work experience or other equivalency, for testing out or for credit earned on any basis other than instruction offered by the school.

F. Description of the system of evaluation and grading and records demonstrating the application of that system.

G. Copies of the current or most recent schedule of courses of instruction.

H. A statement, if a degree granting institution, as to the policy by which a credit hour is defined for institutional application in determining credit hour values for courses and degrees;

3. Personnel information and data.

A. The names and title of all administrative and instructional personnel employed by the school and a resume of the education

and employment experience for each person so employed.

B. The names, titles, addresses and telephone numbers of the agents of the school, along with the geographic area of the operation of each agent;

4. Financial information and data.

A. Verification of compliance with the security deposit requirement under the authorizing statute and this rule.

B. The fiscal year used for the school's operation.

C. A financial statement showing, in addition to other standard revenue and expenditure categories, gross tuition and fee income (excluding refunds, books, tools and supplies) for the last completed fiscal year, certified by the school owner or the school's chief administrative officer.

D. Catalog or other printed or published information for disclosure of financial charges to students and records demonstrating the application of that printed or published information.

E. A statement of the refund policy of the school and records of the application of that policy.

F. A statement of the cancellation policy of the school and records of the application of that policy.

G. An enrollment agreement; and

5. Student services information and data.

A. Transcripts of the records of student achievement, including all degrees or other awards granted, and evaluation of all students, past and present, enrolled at the school, whether or not completing the program of instruction shall be maintained permanently.

B. Records of all financial charges to the student and of payments made by or in behalf of the student and records of all financial aid awarded to or obtained by a student, including governmental grants and loans and the application of those funds to payment of instructional costs and/or refunds to the student shall be maintained for a minimum of five (5) years after a student has terminated enrollment.

C. The following student records are to be maintained for a reasonable length of time or as mandated by federal and/or state policies, procedures or statutes:

(I) Records of the application of each student for enrollment and the decision made on that application;

(II) Record of all disciplinary actions taken against students for violations of school policies on attendance, conduct, dress and any other policies as maintained in compliance with this rule;

(III) Records on each student withdrawing from the school demonstrating application of the school's withdrawal policy

including a notation of that withdrawal on the student transcript;

(IV) Records demonstrating application of the enrollment or admissions cancellation policy as maintained in compliance with this rule;

(V) Record of all degrees, certificates or other awards granted and appropriate records maintained of job placement and employment of those students graduated; and

(VI) Files of any other student records required by this rule.

(4) Operating Standards.

(A) After receiving a certificate of approval to operate, it is incumbent upon a school to operate in compliance with the standards and procedures established in this rule. Failure to maintain compliance shall be grounds for the revocation or suspension of a certificate of approval to operate or for placing a school on probation.

(B) No proposed new school may operate without the issuance of a certificate of approval to operate. Certificates of approval shall be issued or denied on the basis of required estimates, assurances or verifications of planned operations as provided in the application. Evidence that a new school is willfully failing to implement the estimates, assurances or verifications shall be deemed grounds to revoke or suspend the certificate of approval to operate or for placing the school on probation. After initial certification, application for renewal of the certificate of approval shall be on the same basis as for existing schools.

(C) The certificate of approval issued by the coordinating board indicating a school's approval to operate in compliance with sections 173.600—173.618, RSMo and the provisions of this rule shall be displayed, at all times during the term of its validity, in a conspicuous place on, and only on, the premises listed on the face of the certificate of approval so that persons visiting the premises may readily see the certificate of approval.

(D) Failure to maintain institutional and student records as stipulated in this rule or to make these records available for Department of Higher Education examination shall be deemed cause for denial, revocation or suspension of a certificate of approval to operate or for placing a school on probation.

(E) Any school which closes or whose certificate of approval is suspended, revoked or not renewed, shall take, on the approval of the coordinating board, one (1) of the following actions:

1. Make partial or full refund of tuition and fees to the students enrolled;

2. Continue operation under a temporary certificate until students enrolled have completed the program for which they are enrolled;

3. Make arrangements for another school(s) to complete the instruction for which the students are enrolled;

4. Employ a combination of these methods in order to fulfill its obligations to the students; or

5. Implement other plans approved by the coordinating board.

(F) Advertising.

1. The coordinating board shall determine advertising to be deceptive or misleading when—

A. Literature or advertising states the school, its programs, certificates or degrees are accredited, certified or approved by the CBHE, the Department of Higher Education or by Missouri or any of its agencies;

B. Employment or want ad sections or services of any newspaper or advertising media are used for purposes of student recruitment; or

C. Any information contained in the advertisement cannot be verified or documented by the school.

2. When certification status is referenced in advertisements, schools may advertise only as certified to operate or approved to operate by the Missouri CBHE.

3. No school, whether certified or exempted, may advertise as having a Missouri presence or use a Missouri address on its letterhead in the absence of that school conducting an actual instructional activity in this state.

4. Noncompliance with these stipulations may result in the denial, revocation or suspension of the certificate of approval to operate or the placing of a school on probation.

(G) Schools delivering instruction by television, personal computer or any other method of electronic communication are subject to these rules.

(5) Application and Certification Requirements.

(A) Before being issued a certificate of approval to operate, any school subject to the jurisdiction of sections 173.600—173.618, RSMo or any agent acting in the school's behalf, is prohibited from—

1. Entering into any signed contract or agreement for enrollment in any course or program of instruction between the school or any agent acting in behalf of the school and any potential or prospective student;

2. Receiving any financial payment or promise of payment from any potential or prospective student;

3. Announcing, advertising or otherwise conveying any date for the opening of the school or the beginning of classes or instruction;

4. Commencing any instructional activity;

5. Making any claim to having an approved or certified status with the coordinating board or Department of Higher Education or Missouri; and

6. Giving, awarding or granting any certificates or degrees as defined in the authorizing statute or this rule.

(B) Application for certification shall be submitted on application forms furnished by the coordinating board and must be submitted on or prior to the expiration date with which the forms are stamped when distributed. Decision on an application for certification shall be made on the basis of—

1. Compliance with the standards set forth in this rule and the authorizing statute;

2. Compliance with the instructions for completing and submitting the application forms;

3. Information, documentation or verification required, submitted or received in supplement to the application submitted; and

4. Site visitation or personal interview or both as deemed appropriate by the coordinating board.

(C) The coordinating board may give faith and credit consideration to accreditation by a national or regional accrediting association recognized by the United States Department of Education and to approval by other governmental agencies, including certification or licensing approval by another state. The coordinating board may waive any part of the certification procedure for reason of this accreditation or approval or in any instance that procedure is deemed by the board to be unnecessary or inappropriate for a given school applicant.

(D) The submission of applications should allow adequate lead time prior to the applicant's planned date for starting school operations. The applicant's planned start date normally shall not be a consideration for the time frame for decision on an application. Incomplete or inaccurate applications may be returned to the applicant for resubmission. Failure of the applicant to respond in a timely manner to requests for supplementary information or for resubmission of the application may result in denial of certification to operate.

(E) Certificates to operate shall be issued for a maximum of a one (1)-year period and schools must submit applications and be certified annually. Except for initial certification, the certification period shall be on a basis which is the same for all schools. The closing date for the submission of applications for

each certification year shall be the March 15 immediately preceding the beginning of the certification year and, contingent upon a school submitting an acceptable application on or prior to that closing date, a school's certification status shall not lapse in the event recertification decision is delayed past the expiration of the then current certification year. Failure to submit application by the prescribed closing date shall be grounds, without other considerations, for denial of a certificate of approval to operate for the next certification year.

(F) Scope of Certificate of Approval.

1. Application for a certificate of approval to operate shall identify all locations proposed to be operated by the school. All certificates of approval to operate shall specify the instructional locations and program of instruction for which the certificate is valid. Certificates of approval to operate shall be only for those locations and programs listed in the annual application for certification. The coordinating board must be notified at least thirty (30) days prior to the effective date of proposed changes in the location of the school operations and of the initiation of new programs or of substantial changes to existing programs of instruction. These changes shall not be effective except on authorization by the coordinating board. As a condition of authorization for the implementation of changes under the school's certificate to operate, schools accredited by a recognized national or regional accrediting association must provide written documentation of the approval of the changes by the accrediting association.

2. All locations at which instruction is proposed to be offered by a franchisee of a franchisor approved to operate shall be deemed a location within the scope of the franchisor's approval, provided that the franchisor provides the course curriculum and guidelines for teaching at each location and that a single location is identified as the principal facility for recordkeeping. Denial, revocation or suspension of certificates of approval to operate for a franchisor shall be deemed to apply to all franchisee locations. The certification of an individual franchisee (as listed on the franchisor's application for certification) may be denied, revoked, suspended or placed in a status of probation for just cause. For branch campus operations, denial, revocation or suspension of certification to operate or for being placed on a probationary status at one (1) location may be deemed to apply to all locations.

(G) A certificate of approval is nontransferable. A change in the sole proprietor of a school, a change in the majority interest of general partners of a partnership owning a school or a change in a majority

stock ownership of a school shall be deemed a transfer of ownership. Within thirty (30) days of that transfer, the new owner shall make application for a new certificate of approval on application forms as determined by the coordinating board. This application shall be processed like an initial application except the coordinating board may issue a temporary certificate to be effective for a maximum of sixty (60) days if the chief administrator furnishes a written statement asserting that all conditions set forth in the rule are being met or will be met before offering training or education. Failure to make application to the coordinating board, when a change of ownership occurs, shall be grounds for placing a school on probationary status or for suspension, revocation or denial of a certificate of approval.

(H) School Name.

1. A certificate of approval shall not be issued to a school if the name of that school, whether initially proposed or changed after establishment, is identical to the name of an existing certified school or a public or independent college or university in Missouri or is deemed, by the coordinating board, to be sufficiently similar as to cause confusion of identity among the lay public.

2. The coordinating board must be notified at least thirty (30) days prior to the effective date of proposed change in the official name of a school. Name changes shall not be effective except on authorization by the coordinating board. As a condition of authorization for the implementation of a name change under the school's certificate to operate, schools accredited by a recognized national or regional accrediting association must provide written documentation of the approval of the change by the accrediting association.

(I) Except as pursuant to the initial approval to operate, a certificate of approval will not be issued to any school which has reported no student enrollments during the previous certification year. A school having a full certification year without student enrollments shall be deemed as not being a school eligible for certification.

(J) On decision of the coordinating board, a certificate of approval issued to an applicant school or to a school applying for recertification may be issued as a temporary certificate of approval. The effective date of a temporary certificate of approval shall not exceed sixty (60) days. In instances other than a temporary certificate of approval issued for reason of a change of school ownership, the reasons for issuance of the temporary certificate of approval shall be specified by the coordinating board. At the termination of the temporary certificate of approval—

1. A temporary certificate of approval may be reissued for one (1) additional period not to exceed sixty (60) days; or

2. A certificate of approval for the remainder of the then current certification year may be issued.

(K) No certificate of approval to operate shall be issued except upon payment of the prescribed certification fee.

1. The certification fee shall be computed on the basis of \$.001 per one dollar (\$1) of net tuition and fees' income (excluding refunds, books, tools and supplies), with a maximum of two thousand five hundred dollars (\$2500) and the minimum of two hundred fifty dollars (\$250) per school. Tuition and fees for schools which operate at two (2) or more locations within Missouri may be reported separately or be combined for all locations for purposes of computing the certification fee. The certification fee shall be computed on the basis of data submitted by the institution, subject to verification by the coordinating board.

2. The certification fee for a school upon initial certification to operate shall be computed on the basis of the estimate given in the application of the net tuition income for the first year of operation, except that the fee shall not be less than the minimum of two hundred fifty dollars (\$250). The full initial certification fee shall be assessed whether the initial certification is for an entire or partial certification year.

3. For a school having a certificate of approval for the sole purpose of recruiting students in Missouri, the net tuition used for the certification fee computation shall be only that paid, or estimated if initial, to the school by students recruited from Missouri and the fee shall be two hundred fifty dollars (\$250) plus \$.001 per one dollar (\$1) of net tuition and fees income (excluding refunds, books, tools and supplies).

(L) The security deposit shall be executed on the prescribed form provided by the coordinating board for that purpose. Written verification of compliance with the security deposit requirement of the authorizing statute must be presented prior to the issuance of a certificate of approval. Any bonding company must be approved by the Missouri Department of Insurance. The security deposit shall cover all facilities and locations of the school in Missouri and clearly shall state that it covers the school and agents of the school. The amount of the security deposit shall be ten percent (10%) of the preceding year's gross tuition but in no event shall be less than five thousand dollars (\$5000) nor more than twenty-five thousand dollars (\$25,000), except that the school may deposit a greater amount at its own discretion. The school may comply with the security deposit requirement through

any of the following three (3) methods, at the discretion of the school: performance surety bond; irrevocable letter of credit or cash bond secured by certificate of deposit. The amount of the security deposit required must be computed and compliance verified with each annual application for certification. Any school which operates at two (2) or more locations may combine, or report separately, gross tuition for all locations for the purpose of determining the annual security deposit requirement. However, if the combined gross tuition calculates a security deposit requirement in excess of the twenty-five thousand dollar (\$25,000) maximum, the gross tuition must be reported separately and the requirement calculated separately for each location. Failure of a school to post and maintain the required security deposit may result in denial, suspension or revocation of certification to operate or the school being placed on probation.

(6) Certification of Out-of-State Institutions.

(A) Out-of-state schools must have continuously operated for a minimum of two (2) years prior to application to operate in Missouri, be licensed or approved by the other state, territory or District of Columbia and the requirements for approval or licensure in the other state must be substantially equal to those in force in Missouri at the time the application for approval is filed.

(B) Operating an Instructional Facility.

1. No school, whether certified or exempted, may advertise as having a Missouri presence or use a Missouri address on its letterhead in the absence of that school conducting an actual instructional activity in this state.

2. In order to operate an instructional facility at a physical location in Missouri, an out-of-state institution must comply with the same standards and procedures as are applicable to institutions indigenous to Missouri and must be certified annually as approved to operate.

3. Each instructional site at which an out-of-state school operates in Missouri must be independently certified even though those sites are branches of the parent non-Missouri institution. Separate applications must be submitted for each site and all application information must be specifically for that site and not for the non-Missouri parent institution.

4. Each instructional site at which an out-of-state school operates in Missouri must designate in the application a resident director in order to be eligible to be certified to operate.

5. Application forms for annual certification and follow-up communications, including the issuance of the certificate, shall be distributed by the coordinating board directly

to the designated resident director of each instructional site in Missouri. This procedure does not prohibit the director of the Missouri site from forwarding the mailings to the parent institution for processing nor does it prohibit the payment of certification fee and deposit of security by the parent institution; however, the institution must comply with all closing dates and deadlines.

6. The certification fee and security deposit requirement for an instructional site operated in Missouri by an out-of-state school shall be computed solely on the basis of applicable tuition and fee income at the Missouri instructional site.

(C) Operating for Recruiting Purposes Only.

1. All non-Missouri schools maintaining physical presence in Missouri for the purpose of recruiting students to attend the non-Missouri school must be certified to operate. Physical presence shall mean any address, physical location, electronic device or telephone number within the boundaries of Missouri from which promotional material is distributed, or recruitment effort initiated and to which potential or prospective students may inquire or respond. Physical presence does not include advertising through printed or electronic media as long as the initiation for that advertising is not within this state or the advertising does not identify any Missouri presence.

2. In order to be certified to operate in Missouri for recruitment purposes, an out-of-state institution must comply with the same standards and procedures as are applicable to a Missouri institution and annually must apply for and receive a certificate of approval.

(7) Certification of Degree Granting Schools.

(A) Any degree granting school is subject to the provisions of this rule and the authorizing statute unless properly exempted pursuant to the provisions of this rule. The act of any person to grant a degree, earned or honorary, constitutes definition as a proprietary school subject to the provisions of sections 173.600—173.618, RSMo.

(B) In addition to all other standards and procedures set forth in this rule and in the authorizing statute, certification of degree granting schools shall be governed by the following:

1. Any degree granted shall specify the study discipline of the degree and the study discipline generally shall be accepted in higher education as a legitimate area of degree study;

2. Any degree granted shall be on the basis of study content and achievement requirements which shall be deemed by the

coordinating board to be reasonably equivalent to study content and achievement requirements for the degree generally applied at institutions of higher education;

3. No earned degree may be given, awarded or granted in the absence of an instructional component offered and conducted by the degree granting institution. No earned degree may be given, awarded or granted unless the instructional component is determined by the coordinating board to be on a level of study content and requirement commensurate with the designated level of the degree and equivalent in content to at least one (1) year of academic study;

4. No honorary degree may be given, awarded or granted by any school which does not give, award or grant an earned degree; and

5. No fee or other charge may be assessed for giving, awarding or granting an honorary degree.

(8) Probation Status and Suspension and Revocation of a Certificate of Approval.

(A) Probation. A school may be placed on probation for reasons of noncompliance with sections 173.600—173.618, RSMo or for noncompliance with the provisions of this rule. Probation provides a school with the opportunity to attain compliance within a given time limit or to provide evidence or clarification of unclear points regarding compliance with specific items. Probation shall be governed by the following criteria:

1. The coordinating board shall place a school on probation by notification in writing for a fixed period with a termination date. Termination dates may be extended on decision of the coordinating board if the school has not attained compliance or upon request of the school. The school may continue to operate during any probationary period;

2. The notice shall specify the specific item(s) of noncompliance with sections 173.600—173.618, RSMo or this rule and shall include specific criteria, procedures or both for the school to be removed from the probation;

3. Failure of a school to comply with statutory requirements or the requirements of this rule by the termination date of the probation, on judgment and decision of the coordinating board, shall result in one (1) of the following actions:

A. Suspension of the certificate of approval; or

B. Revocation of certificate of approval; and

4. A school in compliance with the specified probationary requirements may request, in writing, removal from probationary status prior to the termination date of the probation.

(B) Suspension. A certificate of approval or a temporary certificate of approval may be suspended for up to twelve (12) months for noncompliance with provisions of sections 173.600—173.618, RSMo or the provisions of this rule, the following criteria and procedures shall apply. The purpose of suspension is to give the school the opportunity to correct the items of noncompliance within a set period of time:

1. The coordinating board shall suspend a school's certificate of approval or temporary certificate of approval by notification in writing for a fixed period with a termination date. Termination dates may be extended on decision of the coordinating board if the school has not attained compliance or upon request of the school; however, in no case shall the total time of suspension exceed twelve (12) months;

2. The notice shall specify the specific item(s) of noncompliance with sections 173.600—173.618, RSMo or this rule and shall include specific criteria and procedures for the school to be removed from suspension;

3. Failure of a school to comply with statutory requirements or the requirements of this rule by the termination date of the suspension, on judgment and decision of the coordinating board, shall result in revocation of the certificate of approval;

4. A school in compliance with the specified suspension requirements may request, in writing, removal from probationary status prior to the termination date of the suspension; and

5. The school may appeal an assignment of suspension to the Administrative Hearing Commission.

(C) Revocation. The coordinating board may revoke the certificate of approval or the temporary certificate of approval of any school for noncompliance with the provisions of sections 173.600—173.618, RSMo. Revocation of a certificate to operate shall be governed by the following criteria and procedures:

1. The coordinating board shall revoke a school's certificate of approval or temporary certificate of approval by notification in writing;

2. The notice shall specify the specific item(s) of noncompliance with sections 173.600—173.618, RSMo and shall specify an effective date of the revocation, revocation upon the completion of operational functions as may be prescribed by the coordinating board or both an effective date and completion of operational functions;

3. Revocation of a certificate of approval shall not forgive a school of full compliance with the requirements contained in this rule which are applicable to any school ceasing operations, including, but not limited to, making refunds to students, completion of



instructional programs of students and the
reposit of student instructional and financial
records; and

4. The school may appeal a revocation to
the Administrative Hearing Commission.

*Auth: sections 173.600—173.618, RSMo
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