

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

PROPRIETARY SCHOOLS

(By authority conferred on the department of licensing and regulatory affairs by sections 2a and 2b of 1943 PA 148, MCL 395.102a and 395.102b and Executive Reorganization Nos. 1996-7, 1999-7, 1999-1, 2003-1, 2008-4, and 2011-4, MCL 388.994, 388.995, 408.40, 445.2011, 445.2025, and 445.2030.)

R 390.561 Definitions.

Rule 1. As used in these rules:

(a) "Board" means the state board of education.

(b) "Full-time equated students" means a student or combination of students enrolled in regular attendance and receiving a full course of instruction with the total clock hours as prescribed by the school.

(c) "Public assembly site" means a site located in a public educational institution or located in a public meeting area suitable for instruction.

(d) "School" means a proprietary school as defined in section 1a of the act. "School" does not include an educational institution or educational training program that is maintained or provided by an employer, without charge, to its employees or anticipated employees.

History: 1979 AC; 1987 AACS; 1998-2000 AACS; 2014 AACS.

R 390.562 Licensing procedure.

Rule 2 (1) Housing and facilities shall conform to standards specified by the appropriate local and state authorities.

(2) The department shall issue an applicant school a permit for a 12-month period before issuing a license. A permit authorizes the applicant to offer specific programs at a definite location under the management as stated on an application. A separate permit is required for each location at which instruction is offered, except a school may offer instruction at an auxiliary classroom or a public assembly site without obtaining a separate permit for that location.

History: 1979 AC; 1987 AACS; 1998-2000 AACS; 2014 AACS.

Editor's Note: An obvious error in R 390.562 was corrected at the request of the promulgating agency, pursuant to Section 56 of 1969 PA 306, as amended by 2000 PA 262, MCL 24.256. The rule containing the error was published in *Michigan Annual Administrative Code Supplement*, 2014. The memorandum requesting the correction was published in *Michigan Register*, 2015 MR 10.

R 390.562a Surety.

Rule 2a. (1) If surety is terminated, the school's license or permit shall expire if a surety is not secured to replace the expired surety. Notification, in writing, shall be given by the school to the department if surety is to expire or be terminated and not replaced.

(2) A school shall not enroll students following notice of cancellation of surety unless another form of surety has been provided.

(3) A surety shall be provided by a school in an amount determined according to the following:

(a) An accredited school shall provide evidence of surety of not less than \$5,000.00 for 1 to 100 full-time equated students, not less than \$7,500.00 for 101 to 500 full-time equated students, and not less than \$10,000.00 for 501 to 1,000 or more full-time equated students.

(b) A nonaccredited school shall provide evidence of surety in an amount equal to \$200.00 per student, but not less than \$5,000.00.

History: 1987 AACCS; 2014 AACCS.

R 390.563 Rescinded.

History: 1979 AC; 1987 AACCS; 1998-2000 AACCS; 2014 AACCS.

R 390.564 Standards for operation.

Rule 4. (1) Data relative to the education, training, and experience of the administrative, supervisory, and instructional staff shall be submitted, on forms provided by the department, for evaluation as to the competency to instruct or supervise instruction in the subjects assigned. Instructional personnel shall have backgrounds of appropriate education or appropriate experience in the substantive field which they are assigned to teach. Instructional personnel who teach in a field requiring a certificate or license shall possess such a certificate or license.

(2) The student's application form and contract shall correspond with the catalog furnished to the student. Any modification of the student's application and contract, as contained in the catalog, shall be agreed to, in writing, by all parties. The refund policy shall be stated in the contract.

(3) Student records, except records of grades, including enrollment data, payment of fees, attendance, progress, awards, interviews, and placement, shall be maintained for not less than 3 years following graduation. A student's grade records and transcripts shall be retained in perpetuity by the school and shall be available upon his or her request. A school that is no longer operating shall turn over its student records to the board.

(4) The class load for instruction shall be consistent with approved educational practices. A program shall not be offered unless approved by the department.

(5) Courses of instruction shall extend over a sufficient period to meet standards of trade and business practices. Outlines of lessons, units, or projects shall be available to the department.

(6) Equipment and materials shall meet local and state fire, health, safety, and sanitation requirements.

(7) A school shall notify the department before a change in location.

History: 1979 AC; 1987 AACCS; 1998-2000 AACCS; 2014 AACCS.

R 390.564a Rescinded.

History: 1987 AACCS; 1998-2000 AACCS; 2014 AACCS.

R 390.565 Rescinded.

History: 1979 AC; 1987 AACCS; 1998-2000 AACCS; 2014 AACCS.

R 390.566 Advertising and recruitment.

Rule 6. (1) The content of all published literature and advertising, illustrations, diagrams, and pictures shall convey only true meaning, relationships, and conditions supported by facts and statistics about the school, its management, instruction, offerings, and opportunities.

(2) Misrepresentation as to any of the following is prohibited:

- (a) Suitable jobs.
- (b) Probable earnings.
- (c) School facilities.
- (d) Course of instruction.
- (e) Operational policy.
- (f) Management.
- (g) Charges for tuition and fees.
- (h) Available training equipment.
- (i) Qualification of instructors.
- (j) Placement activities of the school.

(3) Only such persons shall be listed or advertised as members of the staff or faculty as are regularly employed to give or directly supervise the instruction in 1 or more of the regular subjects in the school.

(4) The school shall not use blind advertisements to solicit prospective students nor shall it advertise in the "help wanted" or other employment column in newspapers or other publications. Advertising shall be in the name under which the school is licensed.

(5) A licensed school may advertise that it is licensed by the board under the laws of Michigan, but it shall not advertise that the school is recommended, endorsed, or approved by the board.

(6) An officer or employee of the school shall not knowingly induce a student to leave an educational institution at which he or she is in attendance and shall not induce a student to change his or her plans when he or she has enrolled in another school and paid a deposit.

History: 1979 AC; 1987 AACCS; 1998-2000 AACCS.

R 390.567 Rescinded.

History: 1979 AC; 1998-2000 AACCS; 2014 AACCS.

R 390.568 Rescission.

Rule 8. The rules entitled "Standards for Licensing and Regulation of Private Trade Schools, Business Schools, and Institutes in Michigan," being R 390.541 and R 390.542 of the Michigan Administrative Code, and appearing on pages 4012 and 4013 of the 1954 volume of the Code, are rescinded.

History: 1979 AC; 1998-2000 AACCS.

R 390.569 Fees.

Rule 9. (1) An applicant for a temporary permit shall pay a fee of \$1,000.00 for each temporary permit issued. An out-of-state applicant for a new license shall pay a fee of \$400.00 for each new license issued. The department shall adjust fees annually and index the fees to the Detroit consumer price index, as published by the department of labor statistics, United States department of labor.

(2) An applicant for renewal of a license shall pay a fee of \$300.00 for each renewal license issued if a total of 25 or fewer students started a program during the period July 1 to June 30 immediately preceding the license renewal date. An applicant for a renewal of a license for a proprietary school shall pay a renewal fee based on the following schedule of students who started programs:

- (a) 26 to 50 students \$500.00.
- (b) 51 to 100 students 600.00.
- (c) 101 to 150 students 700.00.
- (d) 151 to 200 students 800.00.
- (e) 201 to 250 students. 900.00.
- (f) 251 to 300 students 1,000.00.
- (g) 301 to 350 students 1,100.00.
- (h) 351 to 400 students 1,200.00.
- (i) 401 to 450 students 1,300.00.
- (j) 451 to 500 students 1,400.00.
- (k) More than 500 students 1,500.00.

The department shall adjust fees annually and shall index the fees to the Detroit consumer price index, as published by the department of labor statistics, United States department of labor.

(3) An applicant for renewal of a license shall pay a late payment fee of \$50.00 if the license is not renewed within 30 days after the due date.

(4) A school that moves to a new location after the initial license was issued shall pay a fee of \$300.00 for approval of each change of location.

(5) A school that submits a request for approval of a new curriculum to be added to its license shall pay a fee of \$500.00 for approval of each new curriculum.

(6) A school that submits a request for a change of school name on its license will pay a fee of \$200.00.

(7) A student who requested a copy of a transcript from a closed school will pay a fee of \$15.00.

History: 1987 AACCS; 1998-2000 AACCS; 2014 AACCS.

Editor's Note: An obvious error in R 390.569 was corrected at the request of the promulgating agency, pursuant to Section 56 of 1969 PA 306, as amended by 2000 PA 262, MCL 24.256. The rule containing the error was published in *Michigan Register*, 2014 MR 19. The memorandum requesting the correction was published in *Michigan Register*, 2014 MR 20.

Editor's Note: An obvious error in R 390.569 was corrected at the request of the promulgating agency, pursuant to Section 56 of 1969 PA 306, as amended by 2000 PA 262, MCL 24.256. The rule containing the error was published in *Michigan Annual Administrative Code Supplement*, 2014. The memorandum requesting the correction was published in *Michigan Register*, 2015 MR 10.