OFFICE FOR CAREER AND TECHNICAL SCHOOLS (OCTS)

2013 Policy and Procedures

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I. INTRODUCTION TO OCTS

Background

On July 1, 2012, the Indiana commission on proprietary education (COPE) was dissolved and all of the powers and duties, and administrative rules associated with regulating the non degree granting postsecondary proprietary educational institutions were transferred to the state workforce innovation council (IC 21-8.5-1); hereinafter referred to as council.

In order to carry out accreditation responsibilities on behalf of the council, IC 22-4.-21-10 establishes the office for career and technical schools; hereafter referred to as OCTS. Under the direction and guidance of members of the council represented by the SWIC Career and Technical Schools Accreditation Committee; hereinafter referred to as accreditation committee, OCTS carries out the accreditation (regulatory oversight) responsibilities for non credit bearing / non degree granting postsecondary proprietary educational institutions meeting the following definition:

> ***A person doing business in Indiana by offering to the public, for a tuition, fee, or charge, instructional or educational services or training in a technical, professional, mechanical, business, or industrial occupation, in the recipient's home, at a designated location, or by mail.***

Additionally, OCTS is responsible for the administration of the student assurance fund established in IC 22-4.1-21-18 and the proprietary educational institution fund established in IC 22-4.1-21-39.

Mission and Purpose

The general assembly has given the following charge regarding the regulation of private (for profit) schools:

> ***to protect students, educational institutions, the general public, and honest and ethical operators of private schools from dishonest and unethical practices.***

Some of the goals of OCTS include:

- Developing policies and new administrative rules to align with regulatory code necessary to administering effectively and efficiently the accreditation responsibilities for non credit bearing / non degree granting proprietary educational institutions;
- Engaging in continuous improvement activities to include streamlining and modernizing business processes and procedures associated with regulatory activities; thereby reducing bureaucracy while ensuring close adherence to Indiana Code and administrative rules, and providing greater transparency to institutions and consumers of postsecondary proprietary education alike; and
- Determining the accreditation status through an appropriate investigation/inspection of application materials, including conducting thorough onsite evaluations for those institutions formerly granted "applicant status" by COPE and those granted "temporary accreditation" under the new accreditation practices.

II. PRE-APPLICATION PROCESS

REGULATORY DETERMINATION

Prior to submitting an application for accreditation, proprietors are asked to complete a determination survey and submit it electronically to OCTS. Once the questionnaire is received, OCTS staff will determine whether or not the school meets the definition of a non credit bearing / non degree granting postsecondary proprietary educational institution. If the institution is determined to require regulation, then the proprietor is asked to complete an online orientation after which s/he will receive application materials along with specific instructions and additional guidance. **Institutions that are determined to require regulation are prohibited from conducting business as a postsecondary proprietary school in Indiana without first being granted the appropriate accreditation status**. If a postsecondary proprietary educational institution begins conducting business without authorization, OCTS may issue a "cease and desist" letter to the proprietor and retains the right to notify the appropriate county prosecutor.

On the other hand, if the determination questionnaire reveals any criteria that would exempt* the institution from regulation, then the proprietor will receive a letter of exemption. The letter includes the code citation that provides the basis for the decision. Important: **Institutions initially determined to be exempt from regulation are found so on the basis of criteria submitted in the determination questionnaire. If anything changes (i.e. incorporation status, programs added or modified, etc.), the proprietor MUST submit those changes back through the determination process.** Institutions that conduct any programs, courses, classes, or that change their focus or way of doing business without first contacting OCTS for regulatory re-determination are subject to involuntary closure of such programs and may receive a "cease and desist" letter prohibiting any education/training that is being conducted without appropriate regulation. Additionally, in such cases, OCTS retains the right to notify the appropriate county prosecutor.

Some examples of institutions that **do not meet** the definition of "postsecondary proprietary educational institution" for the purpose of OCTS regulation are:

- Institutions regulated by another state agency, board or commission (ex. schools that offer cosmetology programs **exclusively** and therefore are instead regulated by the Indiana Professional Licensing Agency);
- Institutions that do not offer training in an occupation (ex. proprietors that offer computer classes to the public for improving their computing skills, but do not offer training that leads to a specific occupation/certification);
- Institutions that offer courses to the public that are clearly motivational, for self-improvement, or of an avocational nature (ex. music, dance, private tutoring).

* Exemption from OCTS regulation in no way is to be construed as exemption from all state regulation. Where possible, OCTS will provide specific information within the determination letter if referral to another regulatory agency, board or commission proves warranted.

IMPORTANT:

Throughout the determination, orientation, and initial application process, proprietors/chief administrators will be asked to provide assurances as follows:

1. **The owner or chief administrator has not been convicted of a felony; and**
2. **The owner or chief administrator has not operated an institution that has had accreditation revoked or been closed involuntarily within the five (5) years preceding application for accreditation.**

For a list of "minimum standards" required to operate a proprietary school in the state of Indiana, see Investigation/Inspection.

NEW SCHOOL ONLINE ORIENTATION

UNDER DEVELOPMENT AT: HTTP://WWW.IN.GOV/DWD/2731.HTM

In addition to completing the determination questionnaire, and prior to receiving/submitting initial accreditation application materials, owners/operators or chief administrators must complete the online new school orientation. The orientation, which will be posted at the web address listed above, will provide an overview of both the regulatory process and the application requirements.

III. APPLICATION REQUIREMENTS

APPLICATION CONTENTS

Once the proprietor completes the determination process and online orientation, s/he will be asked to submit the following application materials **as a single "packet"* to OCTS**:

1) Application form that includes the legal name and address of the postsecondary proprietary educational institution;
2) A copy of a certificate of authority from the Secretary of State to do business in Indiana;
3) Copies of letters of national accreditation or home state approval where applicable;
4) The appropriate application fee (by check);
5) A surety bond (original documents must be mailed); and
6) Additional materials to include at least the following information:
    a. The types of courses to be offered, the form of instruction to be followed with the class, shop, or laboratory, and the hours required for each curriculum; **IMPORTANT: ALL programs that are intended to be offered must be included with the application. There are no additions or modifications allowed to programs during the initial operating period (called "temporary accreditation").**
    b. The type of certificate or diploma to be awarded to program completers;
    c. A statement of the institution's finances;
    d. A description of the institution's facilities, including classrooms, laboratories, library, machinery, equipment, and a passing fire inspection if required by local ordinance.

e. An explicit statement of policy with reference to the solicitation of students, payment and amount of student fees, and conditions under which students are entitled to a refund in part or in full of fees paid, including a statement concerning the existence of the fund;

f. A sample of the enrollment agreement that includes the state's required refund policy; this statement will be included with the application forms and guidance documents;

g. Provisions for liability insurance for students;

h. Maximum student-teacher ratio to be maintained;

i. Minimum educational/experience requirements for instructional staff;

j. Assurance the owner/operator or chief administrator has not been convicted of a felony; and

k. Assurance the owner/operator or chief administrator has not owned/operated a school that has had its accreditation revoked or been involuntarily closed in the five (5) years preceding application for accreditation.

Except for the application fee, other materials can be submitted electronically as a single "packet."

INITIAL SITE VISIT

After the application materials have been reviewed and are considered to contain complete information and meet all requirements, OCTS staff will schedule an initial site visit **for a school physically located in Indiana**. This is not for the purpose of a full onsite evaluation rather only to confirm that the location exists and that the facilities and equipment are adequate for serving the anticipated number of students as indicated in the application.

Temporary Accreditation Status

If the postsecondary proprietary educational institution meets all of the minimum application requirements and passes the initial site inspection, the institution is granted a "temporary accreditation" status and may begin advertising, recruiting, and enrolling students. The institution is provided the following initial credentials:

- A letter verifying "temporary accreditation";
- Worksheet for making student assurance fund payments and the quarterly payment schedule;
- Agent Permit(s) as long as the agent training and agent permit application forms have been submitted with the appropriate fee(s);
- An advertising code; and
- The self-study template to be completed prior to scheduling the requisite comprehensive inspection.

Terminating Temporary Accreditation Status

Until full accreditation status is granted, **schools are operating on a temporary status that may be terminated for cause** in cases; such as but not limited to:

a. failing to make payments to the fund;

b. getting behind on quarterly payments to the fund; and/or

c. failing to maintain a surety bond.

It is incumbent upon the proprietary educational institution to remain in good standing and to comply with all regulatory requirements throughout the accreditation process or jeopardize a recommendation to the accreditation committee to grant full accreditation.

IV. INVESTIGATION/INSPECTION

Institutions that have been granted temporary accreditation will receive an institutional self-study report that must be completed and returned to OCTS staff. Once the self-study is received from the school, OCTS staff will set a date to complete a thorough onsite inspection and will notify the institution thirty (30) days in advance of the scheduled visit. OCTS staff members in collaboration with field experts will report on whether or not the institution meets minimum accreditation standards as set forth in IC 22-4.1-21-23 which include:

- Evidence of a sound financial structure and sufficient resources for continued support;
- Satisfactory training/educational facilities with sufficient tools, supplies, equipment, work stations, classrooms, etc.
- Adequate number of qualified instructors/teachers with sufficient training, experience, education…;
- Advertising and representations to prospective students are truthful and free from misrepresentation or fraud;
- The instructional fees are clearly stated and based upon services rendered;
- Student work and study areas are sanitary, healthful, and safe according to modern standards;
- The institution follows the refund policy approved by the council (current reference is 646 IAC);
- The owner or chief administrator of the school has not been convicted of a felony; and
- The owner or chief administrator of the school has not been the owner or chief administrator of a school that has had its accreditation revoked or that has been involuntarily closed within the five (5) years preceding application for accreditation.

OCTS staff and appropriate field experts will conduct an initial electronic review of the comprehensive self-study submitted by the institution. Field experts may include individuals from other boards, agencies and commissions that set curriculum standards (ex. a member of the massage therapy board) as well as experts serving in the occupations represented by the institutions' programs (ex. welding instructor). OCTS/DWD staff members will conduct the actual onsite evaluations. The onsite evaluation will mean traveling to the site where the instruction/training takes place, interviewing the proprietor and/or chief administrator, staff and students, and reviewing records and documentation that serve to confirm the institution meets minimum standards of operation. Any findings will be documented and included in the staff evaluation report. Once the inspection/investigation has been completed, OCTS will write a recommendation to either grant or deny full accreditation and will submit the recommendation to the committee for action.

Expenses incurred to conduct the onsite inspection will be invoiced to the applicant postsecondary proprietary institution but shall not exceed a total sum of one thousand dollars ($1,000). Costs associated with the onsite inspection include room, board, and mileage.

Granting Full Accreditation

If subsequent to the comprehensive onsite inspection, the accreditation committee grants full accreditation, the institution will be notified and provided information on the accreditation certification fee. Once the fee is received, OCTS staff will send the accreditation certificate to the institution to be displayed in a prominent place. The accreditation is valid for one year from the date of issuance and the institution is required to meet accreditation renewal criteria each year to continue operation.

Interstate Reciprocity

Out-of-state schools that are approved in their home states but wish to advertise, recruit and enroll students in Indiana (whether or not they have a physical location in Indiana) must be regulated. They may, however, be granted a status of Fully Accredited through interstate reciprocity and will not be required to submit the self-study. Prior to granting accreditation, **OCTS staff will determine whether or not the "home state's" accreditation criteria meet or exceed Indiana's accreditation standards and whether or not the school remains in "good standing."** For out-of-state schools with a physical location in Indiana, OCTS staff will conduct an initial site visit only. Any out-of-state schools with a physical location in Indiana and that are either nationally accredited or concurrently seeking national accreditation will be asked to extend an invitation to OCTS staff to participate in their national accreditation team site visit.

Refusing (Denying) Full Accreditation

Should the accreditation committee refuse full accreditation, the institution will be notified that their status of "temporary accreditation" is being terminated, and will be required to cease operation of programs that fall under regulation pursuant to IC 22-4.1-21. Institutions that receive notification denying accreditation may choose to appeal the decision (see Hearings).

V. MAINTAINING ACCREDITATION STATUS

ACCREDITATION RENEWAL PROCESS

According to IC 22-4.1-21-24 accreditation status is valid for one year from the date of issuance, **and accredited institutions must not allow their accreditation status to expire at the risk of forfeiting their operating status and being asked to close the institution involuntarily**. Institutions are strongly encouraged to submit the renewal application at least thirty (30) days prior to the expiration date on their certificate of accreditation to prevent any lapse in renewal status that might put the accreditation status in jeopardy. In addition to ensuring institutions are maintaining an appropriate accreditation status, the annual renewal process provides an opportunity for OCTS staff to review the institution's performance and collect student data. The following materials/information/evidence must be submitted for consideration:

1) Completed renewal application indicating any changes to address, ownership, partnership, national/regional/out of state accreditation if applicable; any changes/deletions/additions to programs, courses, credentials offered;

2) Administration and faculty credentials;

3) Graduate information including placement (if placement services are offered);

4) Graduate certification data*

5) Corporate and financial information including a financial report submission sheet;

6) Fire inspection report (generated in the last 12 months);

7) Proof of commercial liability insurance;

8) Evidence that the regulation statements and refund statements are being used **verbatim** and printed on the catalog or student enrollment agreement; and

9) Renewal fee.

*We understand that where certification exams are conducted via a third-party provider, the institution may be unable to obtain the data; however, if this information is available it must be provided along with other student data.

CONTINUAL COMPLIANCE

Although the annual accreditation renewal process provides opportunity for our office to determine continued regulatory compliance, there may be times when certain issues arise and warrant our immediate attention. Whether an internal or external source reveals an institution is allegedly engaging in business practices, advertising, recruiting, enrolling, or any other conduct disallowed under current regulatory standards, OCTS will investigate the matter and take any necessary action to ensure that the institution remains in good standing. Some of the ways OCTS will address non-compliance issues include but are not limited to:

1) Conducting an impromptu site visit based on "right to premises" to investigate complaints/concerns;

2) Suspending accreditation status for cause; or

3) Initiating the accreditation revocation process for cause.

VI. HEARINGS

Pursuant to IC 22-4.1-21-26 a postsecondary proprietary educational institution has the right to a hearing if the institution's accreditation has been refused, revoked, or suspended. **The application for a hearing must be submitted in writing within thirty (30) days of the notice of denial, revocation, or suspension**, and the council is charged with giving a prompt hearing with not less than ten (10) days notice of the date, time and place for the hearing. Additionally, the institution has the right to be represented by council and may provide oral and documentary evidence relevant to the issue. Finally, the council will have not more than fifteen (15) days after the hearing to provide a written finding of fact, a written decision, and a written order based solely on the evidence submitted at the hearing, either granting or denying accreditation to the postsecondary proprietary educational institution.

VII. SCHOOL CLOSURE / STUDENT RECORDS

INVOLUNTARY CLOSURE

An individual operating a postsecondary proprietary educational institution without the appropriate state regulation; or whose accreditation status has been revoked or denied or which has expired; or whose school

does not remain in continual compliance will be required to "cease and desist" all operations including but not limited to advertising, recruiting, and enrolling students and/or conducting education and training classes, and the owner/operator of the proprietary institution may not be considered for accreditation of another proprietary school within the five (5) year period immediately following the involuntary closure. Continued operation of a postsecondary proprietary educational institution upon notification of mandatory school closure is subject to prosecution pursuant to IC 22-4.1-21-36. Upon closure, the owner/operator or school administrator must submit within a period of thirty (30) days from notice to OCTS the following items:

a. Accreditation Certificate

b. Agent Permit(s)

c. All Student Records

VOLUNTARY CLOSURE

Voluntary school closures must be conducted in such a way as to cause minimal to no disruption to students. If possible, all students should be allowed to complete their programs of study, and therefore, while not required, it is highly recommended that schools considering closure do so through a "teach out" process. Should the owner/operator insist on a school closure that does not allow students to complete their programs of study, the institution **will be required to provide full refunds to those students**. A pro-rata approach to refunding program fees based on services rendered is prohibited by the state uniform refund policy. Upon closure, the owner/operator or school administrator must submit within a period of thirty (30) days of closure to OCTS the following items:

a. Accreditation Certificate

b. Agent Permit(s)

c. Student Records

VIII. STUDENT COMPLAINT PROCESS

OCTS will review and respond to formal student complaints against post-secondary proprietary schools that are non-credit bearing and non-degree granting and which are currently regulated only after the student exhausts the institution's complaint process. In such cases, staff will review complaints to determine their veracity and legitimacy and will work with both the student complainant and school toward a mutually satisfactory resolution. Institutions are expected to work with students to resolve complaints and only where a mutually satisfactory resolution cannot be achieved does OCTS begin the adjudication process. In cases where OCTS adjudicates the student complaint, either party (institution or student) not satisfied with the staff decision may file an appeal within thirty (30) days of notification and request a hearing before an administrative law judge.

Instructions for filing a complaint against a regulated school are posted to the OCTS website at: http://www.in.gov/dwd/2731.htm. A student who believes a school has acted in a discriminatory manner is directed to contact the Indiana Civil Rights Commission by completing their complaint form posted on our website.

APPENDIX

A. FEE SCHEDULE

Application for Accreditation – In State Institutions	$1,000
Application for Accreditation – Out of State Institutions	2,000
Annual Accreditation Renewal – All Institutions	500
Agent Application	80
Annual Agent Renewal	50
Accreditation Certificate	50

B. GLOSSARY OF TERMS

Accreditation – certification of a status of approval or authorization to do business as a postsecondary proprietary educational institution.

Accreditation Committee – decision-making body made up of members of the State Workforce Innovation Council and representing the "council" in matters related to the authorization/accreditation of non credit/non degree granting postsecondary proprietary educational institutions.

Agent – a person who enrolls or seeks to enroll a resident of Indiana through personal contact; telephone; advertisement; letter; or publications; in a course offered by a postsecondary proprietary educational institution.

Agent's Permit – a nontransferable written authorization from the Office for Career and Technical Schools to solicit a resident of Indiana to enroll in a course offered or maintained by a postsecondary proprietary educational institution.

Application – a written request for initial operating status, full accreditation, or an agent's permit on forms supplied by the Office for Career and Technical Schools.

Council – State Workforce Innovation Council.

Course – a plan or program of instruction in a specific field of study intended to lead to employment in that occupation or to the occupational certification.

Fund – the career college student assurance fund (CCSAF) established by IC 22-4.1-21-18.

Hearing – the proprietor's right to appear before the accreditation committee if an application for hearing is submitted in writing not more than thirty (30) days after notification that accreditation has been denied, revoked, or suspended.

Investigation/Inspection – activities that include a thorough examination of application materials submitted to the Office for Career and Technical Schools, including initial site visits and comprehensive onsite inspections.

Inspection Fee – expenses incurred by team members to conduct an onsite inspection; paid by the applicant postsecondary proprietary educational institution and not to exceed a total of one thousand dollars ($1,000) for room, board, and mileage.

Involuntary School Closure – school closure completed upon the request of the Office for Career and Technical Schools to "cease and desist" all education and training unless or until the institution meets the appropriate regulatory standards as defined by statute, administrative rule, and/or policy.

Office for Career and Technical Schools (OCTS) – the office established to carry out the administrative responsibilities associated with regulating non credit/non degree granting postsecondary proprietary educational institutions on behalf of the State Workforce Innovation Council.

Postsecondary Proprietary Educational Institution – a person doing business in Indiana by offering to the public, for a tuition, fee, or charge, instructional or educational services or training in a technical, professional, mechanical, business, or industrial occupation.

Proprietary Educational Institution Accreditation Fund – fund established by IC 22-4.1-21-39 for the collection of fees associated with the administration of IC 22-4.1-21.

Quarterly Contributions – payments made by the institution to the student assurance fund in the amount of sixty dollars ($60) plus one-tenth percent (0.1%) of the total amount of tuition and fees earned during the quarter. If no student tuition or fees are collected during a quarter, a minimum administration fee of sixty dollars ($60) must be paid into the fund on the same quarterly basis.

Representations – statements (oral, written, or other visual representation) in connection with the offering or publicizing of a course; promise or guarantee to a student or prospective student.

Revocation – the process of withdrawing an institution's accreditation and therefore its authorization to operate a postsecondary proprietary school in the state of Indiana.

Standards – minimum requirements the institution must meet, including financial, staff, facilities, program, curriculum, etc. in order to be granted full accreditation.

Surety Bond – insurance held by the post-secondary proprietary institution with a penal sum of a minimum of twenty-five thousand dollars ($25,000) or fifty thousand dollars ($50,000) if the institution's projected annual gross tuition will be more than two hundred fifty thousand dollars ($250,000).

Suspension – a period of time in which an institution is not permitted to recruit or enroll students unless/until issues of noncompliance are resolved.

Temporary Accreditation – an operating status allowed under section 20 (b) during the initial application and inspection period and until a determination regarding full accreditation can be made.

Voluntary School Closure – school closure completed upon notification to the Office for Career and Technical Schools that it wishes to cease operations.

C. RULES AND REGULATION

The Indiana Code and Indiana Administrative Code (Rules) that govern the regulation of non credit / non degree granting postsecondary proprietary educational institutions can be found at:

Indiana Code 22-4.1-21: http://www.in.gov/legislative/ic/code/title22/ar4.1/ch21.html

646 IAC: http://www.in.gov/legislative/iac/T06460/A00060.PDF

Policy and Procedures as updated in July 2013.

Any questions regarding the rules and regulations associated with the accreditation of non credit / non degree granting postsecondary proprietary educational institutions can be directed to the Office for Career and Technical Schools. For contact information, see: http://www.in.gov/dwd/2731.htm