

6E-4.005 Student Protection Fund; Trainout Procedures for Closure.

Subsections (1)-(4), (6)(a), and (6)(b) of this rule shall apply to all licensed nonpublic nondegree schools. Subsections (5) and (6)(c) shall apply to all licensed institutions.

(1) Establishment of Fund. There is hereby established a fund to be known as the Student Protection Fund, pursuant to Section 1005.37, Florida Statutes.

(2) Payment into the Student Protection Fund shall be made by all licensed nonpublic nondegree schools.

(3) Assessment Paid by Licensed Nondegree Schools. Each licensed school shall pay annually to the fund a specified amount equal to .0005 of the annual gross tuition revenue generated in Florida.

(4) Computation and Payment of Assessment.

(a) The Commission shall require each school to make a \$500 payment to the Student Protection Fund before an initial Provisional License is issued. After the second year of operation, the \$500 may be used to offset future payments to the Student Protection Fund.

(b) The counting period shall be the institution's fiscal year.

(c) For programs offered by correspondence or distance education, only income from Florida students shall be counted for purposes of computing the assessment. For purposes of this rule, a Florida student is a student whose mailing address for purposes of receiving distance education lessons and materials from the school is a Florida address.

(d) The full and timely payment of the assessment is a condition of licensure.

Failure to make such payment shall be grounds for disciplinary action against the school, or for changing the status of a school which is Licensed by Means of Accreditation to a Provisional License, or for denial of an application for license renewal.

(5) Application for and Granting of Train-out Awards.

(a) Any institution that enrolls a student who was enrolled in a licensed school but who was unable to complete a program at such school because the school ceased operations or terminated the program in which the student was enrolled may qualify for payments from the Student Protection Fund for training out the student in the program in which the student was previously enrolled.

(b) A licensed institution offering to train out an affected student(s) may apply for an award by letter to the Commission requesting a train-out award and identifying the school which ceased operations; the last known date that the school was open, or the closing date, if known; the program in which the student was enrolled; the date that the student's program was terminated; the student's Social Security number; and the approximate date on which the student began the program. Train-out institutions must provide to the Commission an accurate itemization of actual costs incurred during the training. The institution must also provide to the Commission an accounting of other funds that will be provided for the student. These funds will be considered when the Commission determines the amount of an award. The Commission will base awards on the availability of funds, the actual costs incurred, and the amount of other funds received. The train-out award and the cost of completing the program shall not exceed

the actual cost of training out the student, minus other payments made by or on behalf of a student, minus the amount of any remaining accounts receivable. The Commission shall pay the award to the train-out institution within 45 days of the date of approval by the Commission.

(6) Additional Provisions.

(a) Direct expenses for the administration of the fund shall be charged to the fund.

(b) Pursuant to Section 1005.37(3), Florida Statutes, the owners of a school that terminates a program before all students have completed it shall be assessed a fee by the Commission in an amount not to exceed the cost to the Student Protection Fund of implementing the trainout. Failure to pay the fee to the Commission shall be grounds for disciplinary or civil action against the school and its owners. Improper closing of a school without meeting the obligations required by Chapter 1005, Florida Statutes, and these rules, shall result in actions as provided in Sections 1005.36 and 1005.38, Florida Statutes.

(c) Before closing, a licensed institution shall:

1. Notify the Commission in writing at least 30 days prior to closing the institution, pursuant to Section 1005.36, Florida Statutes;

2. Establish and submit to the Commission a written plan for the closure to include the following:

a. The method of training out students, including written agreements with other institutions which may provide part or all of the trainout;

b. The method by which all student academic records to the Commission or the Commission's designee;

c. A time-line showing the steps to be taken for orderly closure of the institution;

d. A list of current mailing addresses and telephone numbers for all active students currently enrolled at the institution;

e. Copies of notices to the students that the institution will provide for the students' trainout or refunds;

f. Evidence of refunds made to students not receiving trainout, repaying all outstanding student loans, or pro-rata refunds to students not having loans;

3. Notify the Commission, and provide documentation of meeting all student obligations, at the conclusion of the trainout.

4. When the Commission is notified that an institution is closing or has closed, the Commission shall:

a. Have a representative of the Commission visit the institution as soon as practicable to review the current status of the institution and to provide a report to the Commission;

b. Review the trainout plan to determine compliance with this rule;

c. Assist in identifying and securing trainout at other institutions;

d. Ensure that students are notified of their rights and responsibilities;

e. Share information regarding the closure with appropriate federal and state agencies and any other appropriate oversight bodies.

5. If the Commission is not notified, or if the institution has not provided for an

orderly closing, the Commission shall:

a. Organize a trainout committee composed of staff, Commission members, and other individuals to oversee an orderly trainout;

b. Notify all appropriate agencies to seek assistance in the institutional closure;
and

c. Refer the matter to the Department of Legal Affairs or the State Attorney for investigation and prosecution.

Specific Authority 1005.37 FS.

Law Implemented 1005.35(4)(g), 1005.36(3), 1005.37 FS. History--New _____.