

Closing or Ceasing Operation of a Private Occupational School

If you are thinking about or find it necessary to close or otherwise cease operation of a private occupational school which currently is regulated by the Colorado Division of Private Occupational Schools ("Division"), please be aware that there are *statutory requirements and serious responsibilities associated with the closing process*. The information provided within is to clarify and guide you through key requirements and responsibilities. Remember throughout this school closing process the most important considerations are to protect students and preserve student and other essential school records.

How to Close a School:

In the event of a school closing and ceasing operations, the school owner or designee is required to:

I. Notify the Division and currently enrolled or recruited students in writing immediately of intention to close/cease operation or the school.

- A. **Notice to Division.** It is extremely important to provide the Division *with as much advance notice of a school closure* as possible so Division staff can assist the school in complying with the legal requirements to ensure student protection and preservation of essential student and school records.

Written notification to the Division of a school's intention to close and cease operations **must include:**

1. Name of the school;
2. name of the school owner, active mailing address and telephone number where he or she may be reached after the school physically closes;
3. name of the school director;
4. date of closure (or close approximate of anticipated closing date);
5. a report of the status of *all students currently enrolled and* those students *on leave of absence* whose education and training program will not be fully completed by the date of the school's closure;
6. identify in writing whether there are refunds due to any students; and
7. submit a written statement from the school's owner or designee affirming that all recruitment efforts, school marketing, advertisement (regardless of type, i.e. newspaper, website, television broadcast, etc.), solicitation and enrollment of new students has ceased.

B. Notice to Current Students or Recruited but not yet enrolled students.

1. A copy of the written notice given to students informing them of the school's intent to close; and
2. provide any other record of students having been so notified.

II. Treatment of School's Educational; Financial; and Student Records. In addition to the above requirements for informing the Division and enrolled students of a school's intent to cease operation, schools are required by law *to submit to the Division certain student records as well as the school's educational and financial records.*

- A. **By law, "student records" going back and including the last six calendar years (0+ to 6 years) from the date of school closure (or from the date a particular student completed or discontinued training) must be preserved/maintained by the school. As part of the closing process "student records" as identified below must be deposited with (turned over to) the Division:**

1. The individual enrollment agreement and other instruments relating to the payment for educational services, including student financial aid;
2. admission and cumulative records for each individual student including, but not necessarily limited to (a) the results of achievement tests, if any; (b) academic grades; and (c) attendance. (*When in doubt preserve it; seek technical assistance from your assigned Program Specialist; or turn it over to the Division to make a final determination*);

3. the date the student began instruction at the school and information about each program in which the student is or was enrolled, including (a) the name of program, (b) length of program in clock hours or credit hours and (c) date of last instruction or of course completion;
4. record of any student grievance and subsequent resolution; and
5. transcript/record of completion showing extent of each student's record of achievement up to last date attended or up to time school ceased operation.

When preparing the above student records to be deposited with (turned over to) the Division, each set of records should be in Alphabetical Order based on students' last names.

CRITICAL: Records retention policies require the above referenced items to be held for each student for a minimum of six (6) years from the student's last day of enrollment at the school. **After the six (6) year period only a copy of the student transcript is required. By law, a school which is preparing to close or cease operation, must deposit with the Division for permanent State custody and maintenance the official student transcript or record of completion.** The student transcript shall (this is mandatory) be in a form that provides *at a minimum* (1) the student's name; (2) title of course or program; (3) total number of hours; (4) dates of enrollment; (5) grade record of each course; and (6) cumulative grade for the program.

When preparing the official student transcript to be deposited with (turned over to) the Division for permanent State custody and maintenance, alphabetize the transcripts based on the students' last name.

Other documents (not the transcript/record of completion) **in a student file which are older than six years (6+years) should be purged** (properly destroyed so as to reasonably protect a student's identity). *(If in doubt about whether documents must or should be preserved or could be destroyed, contact your assigned Program Specialist or preserve it and turn it over to the Division for a determination).*

III. School's Certificate of Approval. A School which is closing or otherwise ceasing operation, must physically surrender (turn over) it's current Certificate of Approval to the Division.

IV. "Train or teach-out" preferred alternative. The best option for students faced with a school closure is to continue their education and training in order to obtain their certificate or degree. Generally, this is accomplished by students taking part in a "teach-out" or "train-out" agreement, under which (1) either the students complete their studies at the original school in which they are enrolled, *before it closes* or (2) arrangements are made and students are given an opportunity to complete their studies at another state-approved school which offers substantially the same training. A teach-out *is intended to fulfill the original contract between the closing school and the student.* If a teach out is arranged for another approved school to do the remaining occupational training, that other school *must provide comparable education/ training and agree that students transferring from the closing school will pay only what cost of tuition/fees remains unpaid, according to the terms and conditions found in the enrollment agreement entered into between the student and the closing school.* **Remember:** The idea behind a train-out arrangement with another school is to substitute another approved school's comparable occupational training at no additional cost to the student than what had been originally contemplated. The Division will work with the closing school to determine if a teach-out can be made available. The option of a teach-out is voluntary and a student may decline such a teach-out arrangement. (Please, see below).

V. Tuition Refund Claims and Surety Bond Process. As identified in section 12-59-115(7)(a), of the Colorado Revised Statutes, in the event a school ceases operation, the student is entitled to a 100% refund of prepaid, unearned tuition and fees at the time of school closure unless a teach-out is available *and accepted by the student.* The option of a teach-out is voluntary. Although encouraged to do so, a closing school need not arrange it and a student does not have to accept it. Please, be advised that according to statute, any student enrolled in a school that ceases operation, and who does not accept a teach-out, may file a claim with the Division against the school's surety bond for refund of the prepaid, *unearned tuition* and fees which the student asserts he or she paid. There is an established, objective regulatory process and procedure involving interaction among the Division, the closing school, its surety company and in some cases the Board of Private Occupational Schools, under which such student refund claims on a closing school are determine to be bona fide and payable on the bond.

For technical assistance and if you have questions regarding "How to Close a School", please contact your assigned Program Specialist.

In addition, the U.S. Department of Education has designed Closed School Guidelines for school owners and administrators to assist students in continuing their education. This guide is particularly beneficial for schools that receive federal Title IV student assistance funds.

[Closed School Guide](#) - provided by the U.S. Department of Education.



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