

20 AAC 17.015 is repealed and readopted to read:

20 AAC 17.015. Exemptions. (a) Except as provided in (e) of this section, the commission staff will exempt from the authorization provisions of AS 14.48 and this chapter the following educational programs, and institutions providing only the following educational programs:

(1) a program sponsored by and conducted solely for the members of a bona fide trade, business, professional, labor, or fraternal organization that is maintained in good faith for purposes other than operating an educational institution;

(2) a program that does not offer educational credentials;

(3) a program that is continuing professional education offered solely as preparation for tests leading to certification in specific disciplines, but not purporting to provide occupational competencies;

(4) a program or institution that is operated by another state agency or political subdivision of the state;

(5) a program that is regulated by another agency or political subdivision of the state that sets and enforces standards equivalent to AS 14.48.060;

(6) a short course of study that is not more than 15 days or 120 hours in duration, including all required class, laboratory, externship, and independent study hours;

(7) a program that is provided without charging tuition or fees, except for the actual cost of materials and supplies needed to successfully meet the learning objectives of the program;

(8) a program that does not result in the awarding of a degree, and that is sponsored by and conducted solely for the membership of a bona fide religious organization;

(9) a flight-training course that maintains current certification under 14 C.F.R. Part 141 or Part 142;

(10) an apprenticeship or other on-the-job training program through which the trainee is a paid employee and does not pay tuition, and which is offered by an entity that is not a postsecondary educational institution under AS 14.48.210(9);

(11) an online or distance delivered program that does not have a physical presence within the state.

(b) An institution that qualifies for exemption from authorization under (a) 1-10- of this section and that requires a certificate of exemption shall submit an application provided by the commission and pay the fee described in 20 AAC 17.055(a)(5). The requested certification shall expire five years from the exemption certification date or when programs change from that which was described in the application for exemption. An application that qualifies for exemption from authorization under (a)(11) of this section shall submit an application provided by the commission and pay the fee described in 20 AAC 17.055(a). Institutions that qualify under (a)(11) must reapply biennially and certify that the educational programs and institution continue to meet requirements for exempt status under this section.

(c) Repealed 12/29/2010.

(d) For the purposes of (a) of this section,

(1) a fraternal organization is a civic, service, or charitable organization in the state, not for pecuniary profit, that is a branch, lodge, or chapter of a national or state

organization and exists for the common business, fellowship, or other interest of its members; the term does not include a college or high school fraternity;

(2) a labor organization is one, not for pecuniary profit, that is constituted to bargain collectively or deal with employers, including the state and its political subdivisions, concerning grievances, terms or conditions of employment or other mutual aid or protection in connection with employees;

(3) a trade, business, or professional organization is one, not for pecuniary profit, that is composed of persons all of whom are or were actively engaged in the same trade, business, or profession;

(4) a religious organization is one that is tax exempt under 26 U.S.C. 501(c)(3) as a religious organization and that offers and provides postsecondary education solely in the form of religious training to persons who hold or seek to learn the particular religious faith or beliefs of that religious organization;

(5) a short course of study is one that

(A) results in its own certificate or credential and is not part of a sequence of classes for which the institution of enrollment awards any program credential or certificate;

(B) does not include a requirement that students register for or make a financial commitment to a longer program in addition to the individual class;

(C) has documented vocational or academic transfer value as a stand-alone unit; and

(D) is not advertised or described as leading to any professional credential or certification for which the certifying entity publishes a curriculum that exceeds 120 hours;

(e) An institution exempted under this section from some of the requirements of AS 14.48 and this chapter is not exempted from the requirements of AS 14.48.060(b), 14.48.130, 14.48.150, 14.48.170, and 14.48.180 – 14.48.210 and the regulations in this chapter that implement, interpret, or make specific those sections. An institution exempted from authorization requirements under (a)(1) or (8) of this section must include a conspicuous statement on marketing, admissions, enrollment materials, and certificates or diplomas setting out verbatim (a)(1) or (8) of this section, whichever is applicable, and informing that the institution is exempt from authorization requirements under as 14.48 and this chapter. An institution exempt from authorization requirements under (a)(11) of this section must include a conspicuous statement on the institution's marketing in the state, indicating that the program is exempt from authorization under as 14.48 and this chapter, because the program is online or distance delivered and the institution does not have a physical presence in the state.

(f) An institution exempted from authorization provisions of AS 14.48 and this chapter must retain the document required under AS 14.48.165(b) for a period of at least one year after the student's last date of attendance.

(g) Upon written application to the commission documenting that the applicant qualifies under this subsection, the commission staff shall exempt from 20 AAC 17.205 - 20 AAC 17.250 an institution that

(1) is regionally or nationally accredited; and

(2) is a branch campus of an out-of-state institution that is authorized to operate in its home state.

(h) The commission may request documentation of an institution’s qualification for exemption from authorization under this chapter at any time. A person who, with intent to defraud, falsely makes, completes, or alters a written instrument may be subject to criminal penalty. (Eff. 12/30/77, Register 64; am 8/20/86, Register 99; am 1/30/87, Register 101; am 9/15/88, Register 107; am 3/25/90, Register 113; am 5/4/90, Register 114; am 10/11/95, Register 136; am 4/24/98, Register 146; am 4/20/2000, Register 154; am 4/27/2001, Register 158; am 3/1/2002, Register 161; am 12/31/2005, Register 176; am 10/18/2007, Register 184; am 12/29/2010, Register 196; am 10/3/2011, Register 200; am 2/21/2014, Register 209; am 2/22/2015, Register 213; am __/__/__, Register ____)

Authority:	AS 11.46.510	AS 14.42.030	AS 14.48.020
	AS 14.48.030	AS 14.48.050	AS 14.48.210

20 AAC 17.020 is repealed and readopted to read:

20 AAC 17.020. Application for authorization to operate. (a) Repealed 10/11/95.

(b) A person or entity that wishes to operate a postsecondary institution in the state, that does not meet the exemption criteria set out in 20 AAC 17.015(a), must apply to the commission for authorization, using an application provided by the commission.

(c) The complete application, including the fee required by 20 AAC 17.055(a), evidence of bonding or other security required by 20 AAC 17.045 and all required forms and documents, must be received by the commission at least 90 days prior to the next scheduled commission meeting.

(d) Upon receipt of the required application, materials and fees, commission staff shall review submittal for compliance with AS 14.48 and this chapter. Commission staff shall notify the applicant of any deficiencies and will establish a deadline for receipt of any additional materials.

(e) A late fee, in accordance with 20 AAC 17.055(a), will be assessed if an institution fails to provide the information necessary to complete an application by the deadline set by commission staff. An incomplete application may be deferred to the next regularly scheduled commission meeting.

(f) Commission staff will establish a date for on-site evaluation during the application period.

(g) The commission may approve, approve with conditions, deny, or grant a continuation period to provide additional supporting documentation for an incomplete application. The initial authorization period shall not exceed eighteen months.

(h) Commission review of the content of education programs and curricula of a religious nature will not involve the merits of the religious teachings.

(i) In order to determine academic soundness, the commission may engage a third-party expert or experts in the field(s) the applicant is applying to instruct. The cost of the expert review is borne by the applicant and must be paid before the commission considers the application. (Eff. 12/30/77, Register 64; am 8/20/86, Register 99; am 3/16/91, Register 117; am 10/11/95, Register 136; am 8/26/98, Register 147; am 4/20/2000, Register 154; am 12/31/2005, Register 176; am 12/29/2010, Register 196; am __/__/__, Register ____)

Authority: AS 14.48.050 AS 14.48.070 AS 14.48.090

20 AAC 17.025 repealed and readopted to read:

20 AAC 17.025. Renewal of authorization to operate. (a) A request for renewal of an authorization to operate, including a completed application, accompanying documents, and the fee under 20 AAC 17.055(a), must be submitted, on forms provided by the commission, at least 90 days before the date on which the institution's current authorization is scheduled to expire. A late fee will be assessed, in accordance with 20 AAC 17.055(a), if an institution fails to provide the information by the deadline.

(b) An institution must have enrolled students during its current authorization period or document pending enrollments for the upcoming period in order to be considered for renewal of an authorization to operate.

(c) The commission staff will review the application for completeness. Upon review, if the application is not complete; commission staff shall inform the applicant of any deficiencies and a will establish a deadline for receipt of any additional materials.

(d) A late fee, in accordance with 20 AAC 17.055(a), will be assessed if an institution fails to provide the information necessary to complete an application by the deadline set by commission staff.

(e) An incomplete application may be deferred to the next regularly scheduled commission meeting. During this period, institutions may not operate other than under an approved teach-out plan until the renewal is authorized by the commission.

(f) Commission staff will establish a date for on-site evaluation during the authorization period.

(g) The commission may approve, approve with conditions, deny, or grant a continuation period to provide additional supporting documentation for an incomplete application. Renewal

of authorization may be for a period of up to five years. (Eff. 12/30/77, Register 64; am 8/20/86, Register 99; am 4/27/2001, Register 158; am 3/1/2002, Register 161; am 12/31/2005, Register 176; am 12/29/2010, Register 196; am __/__/__, Register ____)

Authority: AS 14.42.030 AS 14.48.050 AS 14.48.070
AS 14.48.090

20 AAC 17.030(a) is repealed and readopted to read:

(a) A person or entity desiring to function as a postsecondary education agent or independent recruiter shall apply to the commission for an agent's permit. The complete application as required under AS 14.48.080(a), including the fee required by 20 AAC 17.055(a), evidence of bonding or other security required under 20 AAC 17.045, and all forms and documents required by the application instructions, must be received by the commission at least 90 days prior to the next scheduled commission meeting.

20 AAC 17.030(b) is amended to read:

(b) Upon receipt of the completed application, accompanying documents, appropriate fees, and evidence of bonding, the **commission staff shall place the application on the commission's agenda for review and action** [COMMISSION WILL REVIEW THE MATERIALS AND GRANT OR DENY AN AGENT'S PERMIT TO THE APPLICANT]. The commission will notify the applicant in writing of its decision.

(Eff. 12/30/77, Register 64; am 10/11/95, Register 136; am 8/26/98, Register 147; am 12/29/2010, Register 196; am __/__/__, Register ____)

Authority: AS 14.48.050 AS 14.48.080

20 AAC 17.040 is amended to read:

20 AAC 17.040. Status changes. (a) In the event of a change in [SENIOR MANAGEMENT OF AN INSTITUTION,] the mission, educational program, [OR] program delivery methods of an institution, or a change of **physical location** [ADDRESS] of the school or any of its facilities, **or a change in tuition and fees charged**, the institution and its agents shall notify the commission in writing [ON FORMS PROVIDED BY THE COMMISSION] of the change at least [ONE CALENDAR QUARTER] **90 days** before the effective date of the change or as soon as plans for change are known. **Institutions shall provide copies of communication from accrediting agencies or oversight bodies that document changes in status that depart from the information provided with the most recent authorization application.**

(b) A change described in (a) of this section, or any departure from program information specified in the institution's most recent authorization application must be approved by the commission before implementation, with the exception of a change in curriculum or instructional delivery method that is solely to conform with updates to [PREVIOUSLY APPROVED] instructional technologies or materials. **In such a case, the institution shall notify the commission prior to the change.**

(c) An institution with an authorization to operate shall notify the commission upon entering into contracts or negotiations related to sale of the institution. At least 30 days before the effective date of a change of ownership of an institution, the new owner shall submit **an Application for Initial Authorization and application fee** [A NEW APPLICATION FOR AUTHORIZATION TO OPERATE]. The completed application must include, the required fee under **20 AAC 17.055(a)** [20 AAC 17.055, EVIDENCE OF BONDING OR OTHER

SECURITY ISSUED IN THE NAME OF THE NEW OWNER, FINANCIAL STATEMENTS FOR THE NEW OWNER, THE DOCUMENTATION REQUIRED FOR A REQUEST FOR RENEWAL OF AUTHORIZATION], description of any changes to be made at the institution as a result of the change in ownership, the effective date of the change in ownership, and a statement of the assets and obligations that will be transferred. Upon determination that the application is complete, the commission staff shall place the application on the agenda for the next commission meeting. An institution that administers financial aid on behalf of the commission must have a change in ownership approved in order to be eligible to continue to administer that aid. Upon approval by the commission, the commission will issue to the institution an authorization to operate.

20 AAC 17.040(e) is repealed and readopted to read:

(e) An authorization to operate an institution is restricted to the fields or courses specifically indicated in the application for authorization. The holder of an authorization shall present a program amendment application for approval of additional fields or courses in which it seeks to offer instruction. An institution may offer courses of study only at locations for which it has been approved.

20 AAC 17.040 is amended by adding a new subsection to read

(f) For the purposes of this section, "ownership" means a controlling interest held by a person, including a partnership or corporation, in an educational institution. (Eff.

12/30/77, Register 64; am 3/15/85, Register 93; am 6/27/87, Register 102; am 10/11/95, Register 136; am 3/13/96, Register 137; am 8/26/98, Register 147; am 4/20/2000, Register 154; am

1/30/2003, Register 165; am 12/31/2005, Register 176; am 11/24/2007, Register 184; am 12/29/2010, Register 196; am __/__/____, Register _____)

Authority: AS 14.48.050 AS 14.48.060 AS 14.48.070

20 AAC 17.045(a) is amended to read:

(a) Except as provided in (e) of this section, a postsecondary educational institution and an agent shall post a surety bond, [A CASH DEPOSIT,] or commission-approved negotiable securities as required by AS 14.48.100 and in an amount determined under this section. The surety bond [, CASH DEPOSIT,] or negotiable securities must be executed solely in favor of and filed with the commission. The commission may increase or decrease the bonding requirement to conform to the level set in (b) or (h) of this section based on updated financial or other information [RECEIVED DURING A RENEWAL PERIOD].

20 AAC 17.045(b) is amended to read

(b) Except as provided in **20 AAC 17.102** [H OF THIS SECTION], the amount of the required surety bond, [CASH DEPOSIT,] or commission-approved negotiable securities is based, for an existing institution, upon the highest amount of revenue received by the institution for all students enrolled in all programs during an academic or a vocational program period, **in the most recent calendar, or fiscal, 12 month period** [TERM, OR SEMESTER IN THE PREVIOUS ACADEMIC YEAR]; or for new institutions or institutions that have added or deleted programs, the highest amount of revenue the commission staff projects will be earned by the institution for all students enrolled in all programs during an academic or a vocational

program period, [TERM, OR SEMESTER] in the upcoming academic year. The amount of the bond is determined as follows:

POSTSECONDARY EDUCATIONAL INSTITUTIONS

Institution Revenue	[BOND AMOUNT (PAY-AS-YOU-GO SCHOOL)]	Bond Amount (Other)
Up to \$25,000	[\$ 3,750]	\$ 5,000
\$ 25,001 - \$ 50,000	[\$ 7,500]	\$ 10,000
\$ 50,001 - \$100,000	[\$15,000]	\$ 20,000
\$100,001 - \$150,000	[\$22,500]	\$ 30,000
\$150,001 - \$200,000	[\$30,000]	\$ 40,000
\$200,001 - \$250,000	[\$37,500]	\$ 50,000
\$250,001 - \$300,000	[\$45,000]	\$ 60,000
\$300,001 - \$400,000	[\$60,000]	\$ 80,000
\$400,001 - \$500,000	[\$75,000]	\$100,000
\$500,001 - \$750,000	[\$112,500]	\$150,000
\$750,001 - \$1,000,000	[\$150,000]	\$200,000
\$1,000,001 and above	[\$200,000]	\$250,000

20 AAC 17.045(h) is repealed:

(h) Repealed ___/___/____.

20 AAC 17.045(i) is repealed:

(i) Repealed ___/___/____.

20 AAC 17.045(j) is repealed:

(j) Repealed ___/___/____. Eff. 3/6/86, Register 97; am 5/8/88, Register 106; am 9/15/88, Register 107; am 12/8/88, Register 108; am 5/4/90, Register 114; am 8/18/91, Register 117; am 4/24/98, Register 146; am 8/26/98, Register 147; am 4/20/2000, Register 154; am

12/31/2005, Register 176; am 12/29/2010, Register 196; am 2/22/2015, Register 213; am ___/___/____, Register _____)

Authority: AS 14.48.050 AS 14.48.100

20 AAC 17.055(a) is amended to read:

(a) An institution or agent shall pay **fees required under 20 AAC 17.015-17.040 by check or other approved electronic method in accordance with the fee schedule reviewed and adopted annually by the commission** [THE FOLLOWING FEES;

(1) APPLICATION FEE FOR NEW AUTHORIZATION, \$2500;

(2) FEE FOR RENEWAL OF AUTHORIZATION, THREE PERCENT OF AVERAGE OF THE TOTAL ANNUAL TUITION AND FEE RECEIPTS IN THE MOST RECENT AUTHORIZATION PERIOD, IN AN AMOUNT OF AT LEAST \$500, BUT NO MORE THAN \$2500;

(3) APPLICATION FEE FOR APPROVAL REQUIRED UNDER 20 AAC 17.040(b), \$100;

(4) FEE FOR A CHANGE OF SITE OR AN ADDITIONAL SITE INSPECTION, \$500; AND

(5) APPLICATION FEE UNDER 20 AAC 17.015(h), \$100].

20 AAC 17.055(b) is repealed:

(b) Repealed ___/___/____.

20 AAC 17.055(c) is repealed:

(c) Repealed ___/___/____. (Eff. 12/30/77, Register 64; am 8/20/86, Register 99; am 4/24/98, Register 146; am 12/31/2005, Register 176; am 2/24/2011, Register 197; am ___/___/____, Register _____)

Authority: AS 14.48.030 AS 14.48.050 AS 14.48.090
AS 14.48.100

20 AAC 17.060(b) is repealed:

(b) Repealed ___/___/____.

20 AAC 17.060(e) is amended to read:

(e) An institution shall establish and maintain minimum admission standards to determine that a prospective student is qualified to study in a course or program with a reasonable likelihood of success. If the field for which the student is to train requires the individual to meet specific requirements for occupational licensing under AS 08 or for employment, an institution shall assess the prospective student's ability to obtain qualifications in those areas. **If the generally accepted employment standards of the field of study or AS 08 do not allow individuals to practice or obtain employment based on particular qualifications, such as criminal background and health history, an institution shall require documentation of the prospective student's qualifications in these areas prior to enrollment.** An institution must demonstrate to the commission that its admission requirements establish a standard of competency, knowledge, and aptitude allowing a prospective student to complete the program of study and obtain employment in the field for which the training is preparatory. An institution

providing instruction in an occupation for which licensure under AS 08 is required must document that the instruction offered by the institution meets the requirements of AS 08 applicable to that occupation, or must clearly indicate that the instruction is avocational.

20 AAC 17.060(i) is repealed:

(i) Repealed ___/___/____.

20 AAC 17.060(j) is repealed:

(j) Repealed ___/___/____.

20 AAC 17.060(k) is repealed:

(k) Repealed ___/___/____.

20 AAC 17.060(l) is repealed:

(l) Repealed ___/___/____. (Eff. 12/30/77, Register 64; am 5/10/78, Register 66; am 3/15/85, Register 93; am 8/20/86, Register 99; am 1/30/87, Register 101; am 3/25/90, Register 113; am 5/4/90, Register 114; am 10/11/95, Register 136; am 6/13/97, Register 142; am 4/24/98, Register 146; am 4/20/2000, Register 154; am 4/27/2001, Register 158; am 12/29/2010, Register 196; am 6/24/2012, Register 202; am 2/21/2014, Register 209; am ___/___/____, Register _____)

Authority: AS 14.48.050 AS 14.48.060 AS 14.48.070

20 AAC 17.062 is repealed and readopted to read:

20 AAC 17.062. Annual reporting standards. (a) An authorized institution shall annually submit, with the fee described in 20 AAC 17.055(a), in a format provided by the commission, a report for each education program offered. The report shall include annual performance indicators in accordance with this section, documentation of financial soundness in accordance with 20 AAC 17.102, surety in compliance with 20 AAC 17.045, and documentation of life-safety requirements in conformance with 20 AAC 17.060. Institutions that report to the Integrated Postsecondary Education Data System (IPEDS) are not required to provide annual performance reports unless there has been a change from what was reported to IPEDS.

(b) A career, technical, or vocational institution authorized by the commission shall provide, on an annual basis and on a form provided by the commission, the following information by institution and program:

- (1) Number of students enrolled;
- (2) Demographic statistics such as race, gender, and age;
- (3) Number of students who withdrew;
- (4) Number of students who were unable to complete due to circumstances beyond their control, such as death or military mobilization
- (5) Number of students who completed;
- (6) Type and number of credentials awarded such as degrees, certificates and other diplomas;
- (7) Number of students who completed their program within 150% of the normal or expected time for completion;
- (8) Number of graduates placed for employment, if placement service is offered by institution; and

(9) Number of graduates taking professional licensure exams, and pass rate for those graduates.

(c) Data shall include all students enrolled at the institution during a twelve (12) month period of the year prior to the reporting period

(d) An institution that offers an employment placement service shall maintain in the student's file written evidence of placement that includes date of employment, employer name, contact information, and graduate's job title.

(e) An institution with average annual institutional or individual program withdrawal rates exceeding twenty-five percent (25%) or annual average institutional or individual program placement rates less than seventy percent (70%) shall provide a written explanation of the circumstances contributing to these rates and describe what actions the institution will take to lower the withdrawal rates or increase the placement rates.

(f) An institution shall request graduates to complete a commission-approved exit survey, developed by the institution, to assess satisfaction with the program and the institution. The institution shall maintain the completed exit surveys for review by the commission upon request.

(g) A career, technical, or vocational institution authorized by the commission shall maintain substantiating documentation for reports prepared under (b) of this section, and, upon request, provide the documentation to the commission.

(h) An institution shall provide reports prepared under this section to prospective students upon request.

(i) Commission staff will use the information collected under this section to calculate statistics. The Commission may make data collected under this section or results of Commission calculations publically available. (Eff. 6/13/97, Register 142; am 4/24/98, Register 146; am

4/20/2000, Register 154; am 4/27/2001, Register 158; am 11/24/2007, Register 184; am 12/29/2010, Register 196; am __/__/____, Register _____)

Authority: AS 14.48.050 AS 14.48.060 AS 14.48.070

20 AAC 17.070(d) is repealed and readopted to read:

(d) Institutions must clearly describe the delivery method of the courses offered: on-line, on-ground or a combination. If a combination, or blended delivery, the institution must include the maximum percentage of coursework that is delivered online, or clearly indicate which courses are delivered on-line.

20 AAC 17.070 is amended by adding a new subsection to read:

(n) An institution may not advertise that a program prepares a student for employment in a profession unless that program meets any applicable state licensure requirements for that profession. (Eff. 12/30/77, Register 64; am 3/25/90, Register 113; am 5/4/90, Register 114; am 10/11/95, Register 136; am 4/24/98, Register 146; am 3/1/2002, Register 161; am 12/29/2010, Register 196; am 10/3/2011, Register 200; am 2/21/2014, Register 209; am __/__/____, Register _____)

Authority: AS 14.42.030 AS 14.48.050 AS 14.48.060

20 AAC 17.075(7) is amended to read:

(7) a schedule of tuition and fees, books, supplies, equipment, services, rentals, deposits, housing, and any other student costs, as appropriate, **including costs for testing or licensure that are required for entry into the field or profession;**

20 AAC 17.075(10) is amended to read:

(10) a description of the school's **facility or campus** [PHYSICAL PLANT];
(Eff. 3/15/85, Register 93; am 10/17/87, Register 104; am 5/4/90, Register 114; am 3/13/91,
Register 117; am 4/20/2000, Register 154; am 12/31/2005, Register 176; am 12/29/2010,
Register 196; am __/__/____, Register _____)

Authority: AS 14.48.050 AS 14.48.060

20 AAC 17.090 is amended to read:

20 AAC 17.090. Supervisors and instructors. (a) An institution must have a designated supervisor who is directly responsible for the content and method of instruction, the selection, supervision, and evaluation of instructors, the organization of classes, maintenance of facilities and equipment, the maintenance of proper scholastic records **and, if applicable, the operation of the online education learning management system.**

20 AAC 17.090 is amended by adding a new subsection to read:

(d) An institution that offers distance-delivered education shall ensure that all instructors that use the online education learning management system demonstrate competency in the use of that system. (Eff. 3/15/85, Register 93; am 5/4/90, Register 114; am 10/11/95, Register 136; am __/__/____, Register _____)

Authority: AS 14.48.050 AS 14.48.060

20 AAC 17.095 is amended by adding a new subsection to read:

(g) The institution must have appropriate and adequate technology systems and infrastructure to support its management and operational functions, academic programs, and support services, wherever offered and however delivered. Demonstrations of these systems may be requested, as the commission considers necessary. (Eff. 3/15/85, Register 93; am 3/1/2002, Register 161; am __/__/____, Register _____)

Authority: AS 14.42.030 AS 14.48.050 AS 14.48.060

20 AAC 17 is amended by adding a new section to read:

20 AAC 17.102. Financial Soundness. (a) An institution shall provide evidence to the commission that the institution is financially sound and can reasonably fulfill its commitments to students and creditors. An institution applying for an authorization to operate, applying for renewal of authorization to operate, an authorization to operate under a change of ownership, or as the commission determines is needed, shall submit financial statements audited by an independent, licensed certified public accountant, and supporting documentation as requested by the commission, unless the institution qualifies to submit unaudited financial statements under (e) of this section. The commission may require additional documentation, as the commission considers necessary.

(b) If an applicant for initial authorization has not yet begun operations the commission may allow the applicant to submit alternative documents to those required in subsection (a). Alternative documents include a business plan with market analysis, a budget, and documentation of working capital sufficient for a minimum of one year of operation, as supported by budget projections and other documentation, as required by the commission, as evidence of financial soundness.

(c) For the purposes of this chapter, a postsecondary educational institution is financially sound if audited financial statements or financial statements submitted in accordance with section (e) indicate that the institution meets its debt obligations and obligations to students. A postsecondary education institution is not financially sound if

(1) its financial statements or the commission staff's investigation shows

(A) operating losses;

(B) negative cash flows from operations;

(C) adverse financial ratios; or

(D) conditions or events similar to those described in (A)-(C) of this paragraph that raise substantial doubts the institution will be able to continue fulfill its commitments to students and creditors;

(2) its accrediting agency, if any, has found it not to be financially sound; or

(3) the United States Department of Education has

(A) made a final determination that the institution is not financially sound;

or

(B) placed the institution on reimbursement status.

(d) A postsecondary educational institution that is not financially sound according to this section shall:

(1) Provide a surety bond, or commission-approved negotiable securities in the amount of the greater of

(A) the highest amount of revenue received by the institution for all students enrolled, including all tuition and fee revenues, in all programs during an

academic or a vocational program period, in the most recent calendar, or fiscal, 12-month period, as applicable; or

(B) the highest amount of revenue for all students projected by the commission that the postsecondary educational institution would receive during an academic or vocational program period of the current year;

(2) Maintain a commission approved, detailed teach-out plan;

(3) Clearly and conspicuously disclose to all students and applicants that the institution has been deemed by the commission to be financially unsound, and provide information on how to contact the commission for more information; and

(4) Pay for an independent financial soundness review annually from a firm approved by the commission, until it is deemed financially sound; or the teach-out plan has been completed and the school has closed.

(e) The commission will accept unaudited financial statements from the institution to assess the institution's financial soundness as follows

(1) if an institution has annual tuition revenues of less than \$200,000, the institution must provide the commission with financial statements, prepared in conformity with generally accepted accounting principles, and a compilation report with full disclosure for the most recently completed fiscal year. The report must be prepared by a licensed, independent accounting service.

(2) if an institution has annual tuition revenues of less than \$300,000 but more than \$200,000, the institution must provide the commission licensed certified public accountant's review report. The report must state that the institution's financial statements for the most

recently completed fiscal year were prepared in conformity with generally accepted accounting principles.

(f) Financial statements must include:

- (1) an accounting report or opinion letter;
- (2) a balance sheet;
- (3) an income statement;
- (4) a statement of cash flows; and
- (5) notes to the financial statements.

(g) To meet annual financial reporting requirements of 20 AAC 17.062, an institution shall provide one of the following to the commission:

- (1) internally prepared financial statements which shall include a balance sheet, an income statement and a statement of cashflows;
- (2) a compilation report with full disclosure; or
- (3) financial statements audited by an independent licensed certified public accountant. (Eff. __/__/____, Register _____)

Authority: AS 14.42.030 AS 14.48.050 AS 14.48.060
 AS 14.48.070 AS 14.48.100

20 AAC 17.110(b) is repealed and readopted to read:

(b) Student records must include

- (1) Demographic records including:
 - (A) name, address, and date of birth;
 - (B) veteran status, if any; and

(C) legible copy of the government-issued photographic identification presented by the student for identity verification before enrollment.

(2) Academic records including:

(A) entrance tests and other data used to determine the student's qualification for admission;

(B) name of course or program taken;

(C) final grade and date of completion or discontinuance of each course;

(D) date that the certificate or diploma was issued, and a copy of the certificate or diploma; and

(E) evidence that the student has been informed regularly of grades and rate of progress in each course;

(3) Attendance records including:

(A) schedule of classes and required hours of attendance;

(B) date of enrollment, leaves of absence, withdrawals, and return dates, as applicable; and

(C) actual attendance with dates and hours present, excused absences, unexcused absences with hours made up, and leave of absence forms as approved by the commission and signed by the student and school official, as applicable to course or program;

(4) Financial records including:

(A) an account ledger that reflects the student's balance, including debits, payments made, financial aid received, and refunds received, as applicable;

(5) Other records including:

(A) placement efforts to employ the student, including place of employment or reemployment, as applicable;

(B) student licensure activities or achievement if the program is in a field that requires licensure;

(6) documentation of compliance with AS 14.48.165.

20 AAC 17.110(c) is amended to read:

(c) If an institution closes, the institution shall **provide transcripts in an electronic format accepted by the commission** [DEPOSIT ALL SCHOLASTIC RECORDS WITH THE COMMISSION] within 30 days after closing.

(Eff. 3/15/85, Register 93; am 3/13/91, Register 117; am 4/20/2000, Register 154; am 3/1/2002, Register 161; am 12/31/2005, Register 176; am 12/29/2010, Register 196; am __/__/____, Register _____)

Authority: AS 14.42.030 AS 14.48.050 AS 14.48.060
AS 14.48.150 **AS 14.48.165**

20 AAC 17.115(a) is amended to read:

(a) An applicant who is not accepted by an institution shall be given a refund of all tuition and fees paid. The student may be charged a non-refundable application fee. The application fee may not exceed **\$100** [75].

(Eff. 3/15/85, Register 93; am 4/2/86, Register 97; am 7/11/87, Register 103; am 5/4/90, Register 114; am 10/11/95, Register 136; am 6/13/97, Register 142; am 4/24/98, Register 146; am 4/20/2000, Register 154; am 4/27/2001, Register 158; am 1/30/2003, Register 165; am

12/31/2005, Register 176; am 6/7/2007, Register 182; am 12/29/2010, Register 196; am 5/26/2011, Register 198; am __/__/____, Register _____)

Authority: AS 14.48.050 AS 14.48.060

20 AAC 17.205 is amended to read:

20 AAC 17.205. Use of the terms university or college. (a) An institution seeking to operate as a university, or college, or career college, must be accredited, must meet requirements for authorization under 20 AAC 17.010 - 20 AAC 17.145, and must meet the requirements of 20 AAC 17.205 - **20 AAC 17.255** [20 AAC 17.250].

(b) An institution may use the terms “university,” or “college,” as specified in 20 AAC 17.065, only if the institution meets the standards required to offer the approved and appropriate degree programs as set out in 20 AAC 17.205 - **20 AAC 17.255** [20 AAC 17.250]. Eff. 4/19/90, Register 114; am 11/5/92, Register 124; am 3/1/2002, Register 161; am 12/29/2010, Register 196; am __/__/____, Register _____)

Authority: AS 14.42.030 AS 14.48.010 AS 14.48.020
AS 14.48.050 AS 14.48.060 AS 14.48.070

20 AAC 17.210 is repealed and readopted to read:

20 AAC 17.210. General guidance for degree program criteria. The commission will seek general guidance for the establishment of minimum criteria for degree programs from the following associations charged with developing standards for higher education:

(1) guidance for degree program criteria will be developed from the most recent policy statements of the American Association of Collegiate Registrars and Admissions Officers;

(2) further guidance for all degree programs will be obtained from the most recent criteria of the Northwest Commission on Colleges and Universities or the accrediting body of the institution. (Eff. 4/19/90, Register 114; am 11/5/92, Register 124; am 12/31/2005, Register 176; am 12/29/2010, Register 196; am __/__/____, Register ____)

Authority: AS 14.48.050 AS 14.48.060

20 AAC 17.225(a) is amended to read:

(a) A degree program must **meet accreditation** [BE WITHIN THE SCOPE OF AN ACCREDITED INSTITUTION'S ACCREDITATION, AND SHALL ADHERE TO THE] standards **of its accreditor** [UNDER (B) OF THIS SECTION]. If a postsecondary institution wishes to establish a new degree program or degree program title, the institution must present the following information to the commission:

(1) a rationale that the program or degree title could not reasonably be included in a program or degree title already approved by the commission;

(2) evidence that the new program or degree title is needed, based upon student interest; state, regional, national or international need; or contributions that the new program or degree title will provide to existing institutional programs or departments;

(3) evidence that a plan for review of the new program or degree title is in place;
and

(4) evidence that commission requirements for initiation of a new program or degree title have been satisfied.

20 AAC 17.225(b) is repealed:

(b) Repealed ___/___/___.

20 AAC 17.225(c) is repealed:

(c) Repealed ___/___/___.

20 AAC 17.225(e) is amended to read:

(e) Non-traditional external or off-campus programs, **and online or distance delivered programs**, must meet all applicable requirements for campus-based programs, including comparability and quality of course content, faculty qualifications, criteria for evaluation, and accessibility to appropriate library and academic support resources.

(Eff. 4/19/90, Register 114; am 11/5/92, Register 124; am 4/24/98, Register 146; am 8/26/98, Register 147; am 4/20/2000, Register 154; am 3/1/2002, Register 161; am 1/30/2003, Register 165; am 12/31/2005, Register 176; am 12/29/2010, Register 196; am 2/22/2015, Register 213; am ___/___/___, Register _____)

Authority: AS 14.42.030 AS 14.48.050 AS 14.48.060
AS 14.48.070

20 AAC 17.230 is amended to read:

20 AAC 17.230. Financial and record keeping standards. (a) An institution offering a degree program shall meet the financial and record-keeping requirements **of their accreditor** [OF STANDARD SEVEN - FINANCE IN THE ACCREDITATION HANDBOOK OF THE NORTHWEST COMMISSION ON COLLEGES AND UNIVERSITIES 2013 EDITION, ADOPTED BY REFERENCE, OR AN EQUIVALENT FINANCIAL REPORTING SYSTEM

APPROVED BY THE COMMISSION. AN EQUIVALENT FINANCIAL REPORTING SYSTEM MUST INCLUDE AN ANNUAL AUDIT OF THE SCHOOL'S FINANCIAL RECORDS CONDUCTED BY AN EXTERNAL CERTIFIED PUBLIC ACCOUNTANT, PRESENTATION OF ADEQUACY AND STABILITY OF INCOME AS MEASURED BY AT LEAST THREE YEARS' HISTORY, AND AN ACCOUNTING SYSTEM THAT FOLLOWS THE GENERALLY ACCEPTED ACCOUNTING PRINCIPLES FOR POSTSECONDARY INSTITUTIONS].

(b) An institution's plans for student scholastic and financial record retention and disposal must meet the requirements of 20 AAC 17.110, and must either meet the recommended standards of the American Association of Collegiate Registrars and Admission Officers (AACRAO) in Student Records Management: Retention, Disposal, and Archive of Student Records, [2014] **2019** edition and Academic Record and Transcript Guide, [2016] **2020** edition, adopted by reference, or provide for an equivalent record retention and disposal system approved by the commission. Requirements for an approved system include

(1) compliance with state and federal law regarding record establishment, maintenance, retention, disposal, access, and security;

(2) protocols for transfer of record custody;

(3) procedures for notification of changes in the location of, or means of access to, retained records, and identification of the responsible records manager. (Eff. 4/19/90, Register 114; am 11/5/92, Register 124; am 4/24/98, Register 146; am 8/26/98, Register 147; am 1/30/2003, Register 165; am 12/31/2005, Register 176; am 12/29/2010, Register 196; am 11/16/2012, Register 204; am 2/22/2015, Register 213; am __/__/____, Register ____)

Authority: AS 14.48.050 AS 14.48.060 AS 14.48.070

20 AAC 17.235 is amended to read:

20 AAC 17.235. Learning resource program. (a) [EXCEPT AS PROVIDED IN (b) OF THIS SECTION,] An institution that offers a degree program must have a library, [A SUPPLEMENTARY PROGRAM,] and academic support services **that conform to the most recent requirements and standards of its accreditor** [AT ITS FACILITY THAT ARE CONVENIENTLY ACCESSIBLE TO STUDENTS AND FACULTY, AND THAT INCLUDE SUFFICIENT FACILITIES, MATERIALS, AND EQUIPMENT TO SUPPORT AND ENHANCE THE EDUCATIONAL PHILOSOPHY, MISSION, AND OBJECTIVES OF THE INSTITUTION. THE STANDARDS FOR LIBRARIES IN HIGHER EDUCATION, 2011, REVISED 2018, OF THE ASSOCIATION OF COLLEGE AND RESEARCH LIBRARIES/AMERICAN LIBRARY ASSOCIATION, IS ADOPTED BY REFERENCE, AND PROVIDES GUIDANCE TO MEET STANDARDS RELATING TO LIBRARY STAFFING, BUDGET, COLLECTION SIZE, ANNUAL ACCESSIONS, SPACE REQUIREMENTS, AND EQUIPMENT FOR DISTRIBUTION AND PRODUCTION].

20 AAC 17.235(b) is repealed:

(b) Repealed ___/___/___.

20 AAC 17.235(c) is repealed:

(c) Repealed ___/___/___.

20 AAC 17.235(d) is repealed:

(d) Repealed ___/___/____.

[EDITOR'S NOTE: THE STANDARDS FOR LIBRARIES IN HIGHER EDUCATION, ADOPTED BY REFERENCE IN 20 AAC 17.235 CAN BE OBTAINED FROM THE INTERNET AT [HTTP://WWW.ALA.ORG/ACRL/STANDARDS/STANDARDSLIBRARIES](http://www.ala.org/acrl/standards/standardslibraries) OR FROM THE ASSOCIATION OF COLLEGE AND RESEARCH LIBRARIES, A DIVISION OF THE AMERICAN LIBRARY ASSOCIATION, 50 EAST HURON STREET, CHICAGO, ILLINOIS 60611. THE ASSOCIATION'S TELEPHONE NUMBER IS (800) 545-2433.]

(Eff. 4/19/90, Register 114; am 11/5/92, Register 124; am 8/26/98, Register 147; am 1/30/2003, Register 165; am 12/31/2005, Register 176; am 11/16/2012, Register 204; am ___/___/____, Register _____)

Authority: AS 14.48.050 AS 14.48.060 AS 14.48.070

20 AAC 17.245 is repealed and readopted to read;

20 AAC 17.245. Faculty standards. Institutions shall meet the requirements for faculty standards established by their accreditor. (Eff. 4/19/90, Register 114; am 11/5/92, Register 124; am 4/24/98, Register 146; am 8/26/98, Register 147; am 1/30/2003, Register 165; am 12/31/2005, Register 176; am 12/29/2010, Register 196; am 2/22/2015, Register 213; am ___/___/____, Register _____)

Authority: AS 14.48.050 AS 14.48.060 AS 14.48.070

20 AAC 17 is amended by adding a new section to read:

20 AAC 17.255. Reporting. The institution shall report to the commission any determinations, decisions, or actions from the institution's accreditor that impact the institution, within 30 days of the accreditor notifying the institution.

Authority: AS 14.48.050 AS 14.48.060 AS 14.48.070

20 AAC 17.900 is repealed and readopted to read:

20 AAC 17.900. Definitions. (a) In this chapter, unless the context requires otherwise

(1) "accredited" means accredited by a national accreditation association, or the regional accreditation association for the area where the school is located, that is recognized by the Secretary of Education of the United States Department of Education;

(2) "annual tuition revenues" include all tuition and fee revenues received from all funding sources.

(3) "any purpose," as used in AS 14.48.210 (1), means any purpose which is subject to regulation under the provisions of AS 14.48;

(4) "business day" means a day other than Saturday, Sunday, or a state holiday.

(5) "collegiate level" means programs of study for which credit hours are awarded which are applicable toward an associate, baccalaureate, or higher degree;

(6) "commission" means the Alaska Commission on Postsecondary Education;

(7) "course" means a sequence of studies with prescribed objectives, successful completion of which may result in awarding of credit or the equivalent;

(8) "course of study" means an interrelated sequence of courses for which, upon successful completion, a certificate or degree is awarded;

(9) "Integrated Postsecondary Education Data System (IPEDS)" means a system of interrelated surveys conducted annually by the U.S. Department of Education's National Center for Education Statistics. IPEDS collects information from every college, university, and technical and vocational institution that participates in the federal student financial aid programs. Institutions report data on enrollments, program completions, graduation rates, faculty and staff, finances, institutional prices, and student financial aid.

(10) "laboratory science" means a component of a life or physical science curriculum distinct from the lecture or seminar environment where, under controlled conditions, students acting as researchers physically test hypotheses using generally accepted methods, with the possibility of proving or disproving these sets of assumptions; the feature that distinguishes scientific laboratories from other types of educational environment is the "hands-on" employment of physical experiments to demonstrate the assertions of texts about physical laws;

(11) "licensed certified public accountant" means a person who holds a valid certificate and permit to practice under AS 08.04 and 12 AAC 04; or is validly licensed as a certified public accountant under the applicable occupational licensing statutes and regulations of another state;

(12) "on-ground" means instruction delivered with the instructor and student in the same room at the same time.

(13) "physical presence" means the presence of paid staff or faculty, or facility or address within the state; In this paragraph, "faculty" and "staff" do not include site supervisors or mentors for local internships or practica, or adjunct personnel; staff or faculty residing within the state but working from a location other than the facility of a postsecondary educational institution does not constitute a physical presence.

(14) “refund” means any amount due to a funding source as a result of a change in financial aid, student enrollment, or attendance status relative to eligibility for and determination of the amount of the financial aid award;

(15) “teach-out plan” means a written plan developed by an institution that provides for the equitable treatment of students, without additional costs, if it ceases to offer a program or ceases to operate before all students have completed their program of study. It may include an agreement between institutions for the transfer of credit.

(16) "withdrawal" means written notification of a student's intent to cease attending the institution. (Eff. 12/30/77, Register 64; am 5/10/78, Register 66; am 3/15/85, Register 93; am 5/8/88, Register 106; am 9/30/90, Register 115; am 11/5/92, Register 124; am 4/24/98, Register 146; am 4/20/2000, Register 154; am 4/27/2001, Register 158; am 12/31/2005, Register 176; am 12/29/2010, Register 196; am 10/3/2011, Register 200; am 2/21/2014, Register 209; am __/__/__, Register ____)

Authority: AS 14.48.050

20 AAC 17.910(a) is amended to read:

20 AAC 17.910. Access to institutional authorization files. (a) The commission will make available its public records of institutional authorization activities, including institutional and agent application files, for inspection in the commission’s offices. The records may be inspected by appointment only. Records may not be removed from the commission’s offices. The commission staff shall provide requested photocopies of records **in accordance with the commission fee schedule** [AT A CHARGE OF \$.20 PER PAGE].

(Eff. 4/24/98, Register 146; am 12/29/2010, Register 196; am __/__/__, Register ____)

Authority: AS 14.48.050 AS 40.25.110 AS 40.25.120