



# 2025 Legislative Concept Proposal LC 502: Injunctive Relief for the Private Career School Unit

## Problem

The Commission has authority to license private career schools and enforce compliance with licensure provisions for schools that it licenses. The Commission, however, has limited options to bring a private career school into compliance with licensure provisions if the school does not have or refuses to obtain a license if the school needs to close abruptly or if it stops responding to the agency's compliance efforts. Ultimately in such circumstances, there is little to prevent a person or entity operating a school from enrolling students without proper clearance and oversight from the agency.

## Background

To operate a career training school in Oregon (i.e., a cosmetology school, a truck driving school, or a psilocybin facilitator training program), entities are required to obtain a license from HECC's Private Career School Unit. HECC licensure ensures that schools meet certain minimum standards related to academic policies, instructor competence, and financial management. Such schools are often very small businesses, and the HECC licensure process serves not only to ensure minimum protections for students (who also gain access to a tuition protection fund when attending a licensed school) but educates operators on the details of operating academic programs.

State law prohibits advertising or enrolling students in unlicensed programs. Unfortunately, on occasion, HECC is forced to issue cease and desist notices and civil penalties to unlicensed programs. While typically this brings unknowing schools and operators into compliance, HECC has no ability to enforce any order that a school cease operation for non-compliance with licensure provisions.

In other situations, licensed private career schools may close abruptly and without complying with the Commission's closure requirements. These requirements include providing the Commission with copies of student transcripts, arranging teachouts for students caught in mid-program at the time of closure, refunding students who are forced to leave a program for no reason of their own, and other requirements. Schools have also moved assets out of reach of the Commission or students during the time leading up to closure to avoid paying refunds that are due, despite Commission rules that require schools to maintain financial resources necessary to provide refunds to current students if necessary.

While the Commission does have enforcement authority relying on civil and criminal penalties, it is limited with regard to unlicensed schools. For licensed schools that are closing, the relatively low civil penalty used by the Commission and the time necessary to pursue enforcement means that schools in the closure phase can effectively avoid all enforcement efforts easily if they choose to do so.

## Proposed Solution

The proposed legislative concept, drafted by HECC counsel, allows HECC to pursue, in a court of proper jurisdiction, a temporary or permanent injunction that requires schools or individuals to refrain from activity that violates the licensure provisions HECC is charged to oversee, and take actions necessary to remedy violations and protect students. This injunctive relief is intended to sit alongside any civil or criminal penalty the law may provide. This authority is anticipated to increase compliance with state licensure provisions.