

MICHIGAN FINAL GRADING ANALYSIS

OVERALL SCORE: **207.1/700 POINTS (30%)**
LETTER GRADE: **F**

I. OVERSIGHT BODY: **21.9/100 POINTS**

A. IS THERE A STATUTORILY CREATED OVERSIGHT BODY
THAT IS PUBLICLY ACCOUNTABLE?
21.6/60 POINTS

Element	Points	Type 1	Type 2	Type 3	Points Awarded (Average)
1. Oversight body is a multi-member board, commission, or panel created by statute	10	0	0	0	0
2. Oversight body was statutorily created specifically to oversee private postsecondary institutions	10	0	0	0	0
3. Multi-member board, commission, or panel is the ultimate decision maker (as opposed to a single person, like the head of a department or director)	10	0	0	0	0
4. Oversight body can engage in rulemaking	10	10	10	10	10
5. Oversight body's meetings must be open to the public	5	0	2.5	0	0.8
6. Oversight body's meetings must allow public comment	5	0	2.5	0	0.8
7. Oversight body can initiate investigations	5	5	5	5	5
8. Oversight body can impose penalties for violations	5	5	5	5	5
Total Points	60	20	25	20	21.6

Explanation:

Michigan has three categories of private postsecondary institutions:

- proprietary schools that do not grant degrees and which provide training in a specific trade, occupation or vocation (Type 1); students attending these schools do not receive a degree, but may earn a certificate of completion.
- educational corporations (private colleges and universities that have the authority to grant degrees) (Type 2).

- nonincorporated private postsecondary educational institutions that may have authority to grant degrees, but are prohibited from using the terms “college” or “university” in their names (Type 3). (MCLS § 450.171.)

Type 1: Proprietary schools. The Michigan Department of Licensing and Regulatory Affairs (LARA) is responsible for the licensing and oversight of proprietary schools. (MCLS § 395.101.) Michigan does not have a multi-member public board responsible for the oversight and regulation of proprietary schools; instead, the Department head is the final decision maker. The Department is not required to hold public meetings or allow public comment. (MCLS § 15.262.) Further, instead of having a public board engage in rulemaking and investigations, the Department is authorized to do so.

Type 2: Educational corporations. LARA has statutory powers, duties, functions, and responsibilities regarding the establishment and approval of non-public incorporated private colleges and universities. (MCLS § 450.171.) However, policy-making authority is vested in the Board of Education. (Executive Order No. 2003-18.) Because the multi-member Board plays a part in the oversight and regulation of educational corporations, Michigan receives partial credit for two elements: meetings of the Board must be public and Board meetings must allow public comment. (MCLS § 15.261 et seq.)

Type 3: Nonincorporated private educational institutions. The Michigan Department of Education is authorized to approve or disapprove educational programs, which are post high school in nature designed for transfer of credit, which purport to lead to diplomas, certificates or degrees, known as nonincorporated private educational institutions. (MCLS § 390.771.) The Department is not a multi-board, was not created specifically to oversee these institutions, the head of the agency is the final decision maker, there is no board to hold open meetings, and there is no board to engage in rulemaking or investigations.

B. STATUTE-SPECIFIED MEMBERSHIP:

1. TO WHAT EXTENT ARE LIMITATIONS PLACED ON FOR-PROFIT MEMBERSHIP ON THE OVERSIGHT BODY?

0/25 POINTS

**points for Type 1, Type 2, and Type 3 schools have been averaged to calculate the above score*

	Explicit prohibition on for-profit majority, plus no possibility of a majority of the quorum	Explicit prohibition on for-profit majority	Strongly discouraged	Discouraged	No prohibition specified, but not discouraged	For-profit majority mandated
Type 1	25 Points	20 Points	15 Points	10 Points	0 Points	-5 Points
Type 2	25 Points	20 Points	15 Points	10 Points	0 Points	-5 Points
Type 3	25 Points	20 Points	15 Points	10 Points	0 Points	-5 Points

Type 1: Proprietary schools. Because LARA is not a multi-member body, this element is inapplicable.

Type 2: Educational corporations. LARA is not a multi-member body, and Michigan law does not have any restrictions in place with regard to the membership of the Board of Education.

Type 3: Nonincorporated private educational institutions. Because the Department of Education is not a multi-member body, this element is inapplicable.

2. IS THE OVERSIGHT BODY MANDATED TO INCLUDE AT LEAST ONE CONSUMER ADVOCATE?

0/10 POINTS

**points for Type 1, Type 2, and Type 3 schools have been averaged to calculate the above score*

	Yes	No
Type 1	10 Points	0 Points
Type 2	10 Points	0 Points
Type 3	10 Points	0 Points

Explanation:

Type 1: Proprietary schools. LARA is not a multi-member body and there are no specifications related to its composition.

Type 2: Educational corporations. LARA is not a multi-member body and Michigan law does not require the membership of the Board of Education to include a consumer advocate.

Type 3: Nonincorporated private educational institutions. The Department of Education is not a multi-member body and there are no specifications related to its composition.

3. ARE THE MEMBERS APPOINTED BY A PUBLICLY ACCOUNTABLE OFFICIAL OR ELECTED IN A GENERAL ELECTION?

0.3/5 POINTS

**points for Type 1, Type 2, and Type 3 schools have been averaged to calculate the above score*

	All	Majority	Half	Minority	None
Type 1	5 Points	3 Points	2.5 Points	1 Point	0 Points
Type 2	5 Points	3 Points	2.5 Points	1 Point	0 Points
Type 3	5 Points	3 Points	2.5 Points	1 Point	0 Points

Explanation:

Type 1: Proprietary schools. Because LARA is not a multi-member body, this element is inapplicable.

Type 2: Educational corporations. Although LARA is not a multi-member body, the Board of Education also plays a small part in overseeing educational corporations. Board members are nominated and elected in accordance with state election laws. (MCLS § 388.1002.) Thus, Michigan receives partial credit.

Type 3: Nonincorporated private educational institutions. Because the Department of Education is not a multi-member body, this element is inapplicable.

II. STATE OVERSIGHT—EFFICACY: **21/100 POINTS**

A. DOES THE STATE REQUIRE ONSITE REVIEW OF PRIVATE POSTSECONDARY INSTITUTIONS?

2.7/10 POINTS

**points for Type 1, Type 2, and Type 3 schools have been averaged to calculate the above score*

	Mandatory onsite reviews			Discretionary	None
	Every 2 years or less	Every 3-5 years	Over 5 years	Discretion to conduct onsite reviews	No review specified
Type 1	10 Points	8 Points	5 Points	3 Points	0 Points
Type 2	10 Points	8 Points	5 Points	3 Points	0 Points
Type 3	10 Points	8 Points	5 Points	3 Points	0 Points

Explanation:

Type 1: Proprietary schools. There is no indication in Michigan law that proprietary schools are subject to regular onsite review.

Type 2: Educational corporations. Michigan law requires the Board of Education to visit and inspect educational corporations, in person or through visitors or inspectors appointed by the Board, at least once every 3 years. (MCLS § 450.177; MCLS §388.1010.)

Type 3: Nonincorporated private educational institutions. There is no indication in Michigan law that nonincorporated private educational institutions are subject to regular onsite review.

B. DOES THE STATE REQUIRE UNANNOUNCED INSPECTIONS FOR ONSITE REVIEWS?

0/5 POINTS

**points for Type 1, Type 2, and Type 3 schools have been averaged to calculate the above score*

	Required Unannounced Visits	Discretion to do Unannounced Visits	No indication
Type 1	5 Points	3 Points	0 Points
Type 2	5 Points	3 Points	0 Points
Type 3	5 Points	3 Points	0 Points

Explanation:

Type 1: Proprietary schools. There is no indication in Michigan law that proprietary schools are subject to onsite review—unannounced or otherwise.

Type 2: Educational corporations. There is no indication in Michigan law that educational corporations are subject to unannounced onsite visits.

Type 3: Nonincorporated private educational institutions. There is no indication in Michigan law that nonincorporated private educational institutions are subject to unannounced onsite visits.

C. DOES THE STATE REQUIRE REGULAR REVIEWS OF PRIVATE POSTSECONDARY APPROVAL TO OPERATE?

10.8/20 POINTS

**points for Type 1, Type 2, and Type 3 schools have been averaged to calculate the above score*

	Mandatory			Discretionary	None
	Every 2 years or less	Every 3-5 years	Over 5 years	Discretion to conduct reviews	No review specified
Type 1	20 Points	15 17.5 Points	10 Points	5 Points	0 Points
Type 2	20 Points	15 Points	10 Points	5 Points	0 Points
Type 3	20 Points	15 Points	10 Points	5 Points	0 Points

Explanation:

Type 1: Proprietary schools. Licenses for proprietary schools that are accredited by a national or regional accrediting agency recognized by the U.S. Secretary of Education are valid for 3 years. A license issued to any other proprietary school is not valid for more than 1 year. Licenses can be renewed after the term of 1 or 3 years if a proprietary school continues to comply with the law and regulations in place to govern it. Michigan receives 15 points because it requires license renewal for accredited proprietary schools every 3 years, which would require review of whether or not the schools is continuing to comply with applicable laws and regulations. Michigan receives an additional 2.5 points because the state requires schools that are not accredited to renew their licenses annually, and the state requires schools who are issued a temporary permit to renew it after 1 year. Michigan requires the Department to issue a temporary permit for 12 months prior to issuing a license to a proprietary schools. (MCLS § 395.101(2), (3); MCLS §395.102(2), MICH. ADMIN. CODE R 390.562(2).)

Type 2: Educational corporations. Michigan law requires the Board of Education to inspect educational corporations every 3 years. The Board must report on all matters pertaining to the condition, management, instruction and practices of the educational corporation, and file a copy of their report with the Michigan Corporation and Securities Commission. (MCLS § 450.177.)

Type 3: Nonincorporated private educational institutions. Michigan law does not require nonincorporated private educational institutions to undergo regular inspections. Although the law states an intent that nonincorporated private educational institutions meet minimum standards equivalent to those for institutions incorporated under the general corporations statute (educational corporations), there is no specific requirement that nonincorporated private educational institutions be inspected on a regular basis to ensure continued compliance with minimum standards.

D. DO THE CRITERIA FOR RENEWAL OF AUTHORIZATION MANDATE A REVIEW OF FACTORS ESSENTIAL TO ACADEMIC AND ETHICAL INTEGRITY?

0.8/20 POINTS

**points for Type 1, Type 2, and Type 3 schools have been averaged to calculate the above score*

	8 of 8	7 of 8	6 of 8	5 of 8	4 of 8	3 of 8	2 of 8	1 of 8	0 of 8
Type 1	20 Points	17.5 Points	15 Points	12.5 Points	10 Points	7.5 Points	5 Points	2.5 Points	0 Points

Type 2	20 Points	17.5 Points	15 Points	12.5 Points	10 Points	7.5 Points	5 Points	2.5 Points	0 Points
Type 3	20 Points	17.5 Points	15 Points	12.5 Points	10 Points	7.5 Points	5 Points	2.5 Points	0 Points

Element:	Type 1	Type 2	Type 3
Admission requirements			
Graduation requirements			
Placement rate	M		
Completion rate (or graduation rate)			
Advertising practices			
Cohort default rate			
Accreditation status			
Financial aid policies			

M=Mandatory; D=Discretionary

Explanation:

Type 1: Proprietary schools. Michigan law provides that student records, including enrollment data, payment of fees, attendance, progress, awards, interviews, and placement, be maintained for not less than 3 years following graduation. This is articulated under the standards for operation. (MICH. ADMIN. CODE R 390.564.)

Type 2: Educational corporations. There is no indication that Michigan’s required regular reviews of educational corporations include any of the above elements. Michigan law requires that each educational corporation demonstrates that it meets five areas of adequacy upon submitting its articles of incorporation. One of the five areas specifies that the “proposed educational program leading to the diplomas or degrees that it proposes to offer is adequate.” (MCLS § 450.171(3)(b).) The law further states that the Board of Education must review educational corporations every three years and upon evidence that any such educational corporation is not complying with the provisions of this act, they shall serve notice on such corporation to remedy the defects within a reasonable time to be fixed in such notice, and in case the deficiency is not corrected within the time fixed by them, they may institute proceedings at law for the dissolution of such corporation. (MCLS § 450.177.) However, nothing in the law specifies that any of the elements above are requisite to the definition of “adequate” as it relates to the educational programs offered by educational corporations, and nothing in Michigan law indicates that any of the above elements must be included in the required reviews.

Type 3: Nonincorporated private educational institutions. There is no indication that Michigan requires reviews of nonincorporated private educational institutions to include any of the above elements.

E. DOES THE STATE’S OVERSIGHT DISTINGUISH BETWEEN FOR-PROFIT AND NONPROFIT EDUCATIONAL INSTITUTIONS?

5/15 POINTS

**points for Type 1, Type 2, and Type 3 schools have been averaged to calculate the above score*

	Yes, strongly distinguished	Yes, moderately distinguished	Yes, slightly distinguished	Not distinguished
Type 1	15 Points	10 Points	5 Points	0 Points
Type 2	15 Points	10 Points	5 Points	0 Points
Type 3	15 Points	10 Points	5 Points	0 Points

Explanation:

Type 1: Proprietary schools. Michigan law distinguishes one type of nonprofit, a school maintained or a program conducted, without profit, by a person for that person's employees. (MCLS § 395.101a.)

Type 2: Educational corporations. Michigan law includes a very narrow exception for some religious colleges (MCLS § 450.171(2)) and distinguishes educational corporations that are instituted and maintained by an ecclesiastical or religious order, society, corporation, or corporations that retain control of the institution for denominational purposes from other classes of educational corporations. (MCLS § 450.171(1)(d).)

Type 3: Nonincorporated private educational institutions. Michigan law includes a narrow exception for religious colleges. (MCLS § 390.771a.)

F. DOES THE STATE REQUIRE INCREASED OVERSIGHT/SCRUTINY OF PRIVATE POSTSECONDARY INSTITUTIONS BASED ON POOR PERFORMANCE?

1.7/10 POINTS

**points for Type 1, Type 2, and Type 3 schools have been averaged to calculate the above score*

	Yes, mandatory	Yes, mandatory but limited	Yes, discretionary	Yes, discretionary but limited	No
Type 1	10 Points	7.5 Points	5 Points	2.5 Points	0 Points
Type 2	10 Points	7.5 Points	5 Points	2.5 Points	0 Points
Type 3	10 Points	7.5 Points	5 Points	2.5 Points	0 Points

Explanation:

Type 1: Proprietary schools. There is no indication in Michigan law that poorly performing proprietary schools are subject to increased scrutiny.

Type 2: Educational corporations. Michigan law does not require increased oversight when an educational corporation is performing poorly. However, Michigan receives some credit here because state law provides that if an educational corporation is not complying with applicable law, regulators shall serve notice on such corporation to remedy the defects within a reasonable time to be fixed in such notice, and in case the deficiency is not corrected within the time fixed by them, they may institute proceedings at law for the dissolution of such corporation. (MCLS § 450.177.) Thus, a poorly performing educational corporation could potentially be impacted if the poor performance constitutes noncompliance with the provisions of the governing statute.

Type 3: Nonincorporated private educational institutions. Michigan does not require increased oversight when a nonincorporated private educational institution is performing poorly. However, Michigan receives some credit here because the law related to nonincorporated private educational institutions specifies that if a nonincorporated private educational institution fails to meet minimum standards set by the Department of Education, the Department may take such legal action as it deems necessary to cause the

owners or administrators of the institution to refrain from offering any part or all of such educational programs which the Department shall have found to be inadequate. (MCLS § 390.772.) Given this, it is reasonable to assume that the Department’s legal action may include increased oversight / scrutiny in some cases in which an institution is performing poorly.

G. DOES STATE LAW INCLUDE ANY SPECIAL PROTECTIONS FOR VETERANS WHO ATTEND PRIVATE POSTSECONDARY INSTITUTIONS?

0/20 POINTS

**points for Type 1, Type 2, and Type 3 schools have been averaged to calculate the above score*

	Yes	No
Type 1	20 Points	0 Points
Type 2	20 Points	0 Points
Type 3	20 Points	0 Points

Explanation:

Type 1: Proprietary schools. Michigan law contains no special protections for veterans who attend proprietary schools.

Type 2: Educational corporations. Michigan law contains no special protections for veterans who attend educational corporations.

Type 3: Nonincorporated private educational institutions. Michigan law contains no special protections for veterans who attend private educational institutions.

III. STATE OVERSIGHT—SCOPE AND INCLUSION:

100/100 POINTS

A. ARE EXEMPTIONS TO STATE OVERSIGHT COVERAGE LIMITED?

100/100 POINTS

**points for Type 1, Type 2, and Type 3 schools have been averaged to calculate the above score*

	No exemptions	Few exemptions	Moderate exemptions	Broad exemptions
Type 1	100 Points	75 Points	50 Points	0 Points
Type 2	100 Points	75 Points	50 Points	0 Points
Type 3	100 Points	75 Points	50 Points	0 Points

Explanation:

Michigan law does not contain any significant exceptions to oversight. All private for-profit postsecondary educational institutions in Michigan are regulated under the laws applicable to proprietary schools, educational corporations, or non-incorporated private educational institutions.

IV. DISCLOSURE REQUIREMENTS: 1.7/100 POINTS

A. ARE INSTITUTIONS REQUIRED TO DISCLOSE INSTITUTIONAL PERFORMANCE MEASURES TO POTENTIAL STUDENTS?

0/20 POINTS

**points for Type 1, Type 2, and Type 3 schools have been averaged to calculate the above score*

	Yes, mandatory	Yes, discretionary	None
	Fact sheet or equivalent required to be given to students	Fact sheet or equivalent given to students on request	No fact sheet required
Type 1	20 Points	10 Points	0 Points
Type 2	20 Points	10 Points	0 Points
Type 3	20 Points	10 Points	0 Points

Explanation:

Type 1: Proprietary schools. Michigan law does not require proprietary schools to disclose institutional performance measures to potential students.

Type 2: Educational corporations. Michigan law does not require educational corporations to disclose institutional performance measures to potential students.

Type 3: Nonincorporated private educational institutions. Michigan law does not require nonincorporated private educational institutions to disclose institutional performance measures to potential students.

B. WHICH INSTITUTIONAL PERFORMANCE DISCLOSURES ARE REQUIRED TO BE GIVEN TO STUDENTS PRIOR TO ENROLLMENT?

0/60 POINTS

**points for Type 1, Type 2, and Type 3 schools have been averaged to calculate the above score*

Type 1: Proprietary schools

Disclosures	Mandatory	Discretionary	Not specified
Cohort default rate (CDR)	10 Points	5 Points	0 Points
Graduation / completion rates	10 Points	5 Points	0 Points
Placement rates	10 Points	5 Points	0 Points
Wage information	10 Points	5 Points	0 Points
License exam passage rates	10 Points	5 Points	0 Points
Methods & sources used to calculate	10 Points	5 Points	0 Points

Explanation:

Michigan law does not require proprietary schools to disclose institutional performance measures to potential students.

Type 2: Educational corporations

Disclosures	Mandatory	Discretionary	Not specified
Cohort default rate (CDR)	10 Points	5 Points	0 Points
Graduation / completion rates	10 Points	5 Points	0 Points
Placement rates	10 Points	5 Points	0 Points
Wage information	10 Points	5 Points	0 Points
License exam passage rates	10 Points	5 Points	0 Points
Methods & sources used to calculate	10 Points	5 Points	0 Points

Explanation:

Michigan law does not require educational corporations to disclose institutional performance measures to potential students.

Type 3: Nonincorporated private educational institutions

Disclosures	Mandatory	Discretionary	Not specified
Cohort default rate (CDR)	10 Points	5 Points	0 Points
Graduation / completion rates	10 Points	5 Points	0 Points
Placement rates	10 Points	5 Points	0 Points
Wage information	10 Points	5 Points	0 Points
License exam passage rates	10 Points	5 Points	0 Points
Methods & sources used to calculate	10 Points	5 Points	0 Points

Explanation:

Michigan law does not require nonincorporated private educational institutions to disclose institutional performance measures to potential students.

C. DOES THE STATE REQUIRE SCHOOLS TO DISCLOSE ELEMENTS
ESSENTIAL TO STUDENT PROTECTION PRIOR TO ENROLLMENT OR
IN THE ENROLLMENT CONTRACT?

1.7/20 POINTS

Type 1: Proprietary schools

Element description	Mandatory	Discretionary	Not specified
Total cost of program	5 Points	2.5 Points	0 Points
Refund information	5 Points	2.5 Points	0 Points
Transferability of credits	5 Points	2.5 Points	0 Points
Length of program	5 Points	2.5 Points	0 Points

Explanation:

Michigan law provides that the student's application form and contract shall correspond with the catalog furnished to the student. Any modification of the student's application and contract, as contained in the catalog, shall be agreed to, in writing, by all parties. The refund policy shall be stated in the contract. (MICH. ADMIN. CODE R 390.564(2).)

Type 2: Educational corporations

Element description	Mandatory	Discretionary	Not specified
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Total cost of program	5 Points	2.5 Points	0 Points
Refund information	5 Points	2.5 Points	0 Points
Transferability of credits	5 Points	2.5 Points	0 Points
Length of program	5 Points	2.5 Points	0 Points

Explanation:

Michigan law does not specifically require educational corporations to disclose any of the above elements to students prior to enrolling.

Type 3: Nonincorporated private educational institutions

Element description	Mandatory	Discretionary	Not specified
Total cost of program	5 Points	2.5 Points	0 Points
Refund information	5 Points	2.5 Points	0 Points
Transferability of credits	5 Points	2.5 Points	0 Points
Length of program	5 Points	2.5 Points	0 Points

Explanation:

Michigan law does not specifically require nonincorporated private educational institutions to disclose any of the above elements to students prior to enrolling.

V. REGULATION OF RECRUITING PRACTICES: **58.3/100 POINTS**

A. HAS THE STATE PUT INTO LAW A LIST OF PROHIBITED ACTS REGARDING ADVERTISING AND RECRUITING?

58.3/100

**points for Type 1, Type 2, and Type 3 schools have been averaged to calculate the above score*

	Yes, strong regulation	Yes, moderate regulation	Yes, weak regulation	No list of prohibited acts
Type 1	100 Points	75 Points	50 Points	0 Points
Type 2	100 Points	75 Points	50 Points	0 Points
Type 3	100 Points	75 Points	50 Points	0 Points

PROHIBITED ACTS

Included in list of prohibited acts	Type 1	Type 2	Type 3
Misleading representations using the word “college” or “university”	X	X	X
Misleading institution affiliations (e.g., military, public institution, business)			
Promise of employment	X		
Compensation for enrollment			
Compensation or “bounty” to recruiters			
Deception (broad prohibition)	X		
Misrepresentation (broad prohibition)	X		
Misleading representations re: accreditation			

1-3=Weak; 3.5-6=Moderate; 6.5-8=Strong

Explanation:

Type 1: Proprietary schools. Michigan law requires the content of all published literature and advertising, illustrations, diagrams, and pictures to convey only true meaning, relationships, and conditions supported by facts and statistics about the school, its management, instruction, offerings, and opportunities. (MICH. ADMIN. CODE R 390.566.)

Type 2: Educational corporations. Michigan law contains detailed definitions of “college” and “university” and specifies the circumstances under which a school may use those titles. (MCLS § 450.171(5).)

Type 3: Nonincorporated private educational institutions. Michigan law contains detailed definitions of “college” and “university” and specifies the circumstances under which a school may use those titles. (MCLS § 450.171(5).)

VI. COMPLAINT PROCESS AND RELIEF FOR STUDENTS:

24.2/100 POINTS

A. DOES THE STATE REQUIRE A BOND OR FUND AS A CONDITION OF AUTHORIZATION?

6.7/20 POINTS

**points for Type 1, Type 2, and Type 3 schools have been averaged to calculate the above score*

	Yes	No
Type 1	20 Points	0 Points
Type 2	20 Points	0 Points
Type 3	20 Points	0 Points

Explanation:

Type 1: Proprietary schools. Michigan law requires an accredited school is to provide evidence of surety of not less than \$5,000 for 1 to 100 full-time equated students, not less than \$7,500 for 101 to 500 full-time equated students, and not less than \$10,000 for 501 to 1,000 or more full-time equated students. It also requires a non-accredited school to provide evidence of surety in an amount equal to \$200 per student, but not less than \$5,000. (MCLS § 395.102b, MICH. ADMIN. CODE R 390.562a.)

Type 2: Educational corporations. Michigan law does not require an educational corporation to post a bond or contribute to a fund as a condition of authorization.

Type 3: Nonincorporated private educational institutions. Michigan law does not require a nonincorporated private educational institution to post a bond or contribute to a fund as a condition of authorization.

B. DOES THE STATE REQUIRE A REFUND OF TUITION IF A STUDENT ENROLLS AS THE RESULT OF MISREPRESENTATION?

0/20 POINTS

**points for Type 1, Type 2, and Type 3 schools have been averaged to calculate the above score*

	Yes, full refund	Yes, partial refund	No refund required
Type 1	20 Points	10 Points	0 Points
Type 2	20 Points	10 Points	0 Points
Type 3	20 Points	10 Points	0 Points

Explanation:

Type 1: Proprietary schools. Michigan law prohibits misrepresentation (MICH. ADMIN. CODE R 390.566); however, there is no explicit requirement that a student who enrolls in a proprietary school as the result of misrepresentation is entitled to a refund.

Type 2: Educational corporations. There is no explicit requirement that a student who enrolls in an educational corporation as the result of misrepresentation is entitled to a refund.

Type 3: Nonincorporated private educational institutions. There is no explicit requirement that a student who enrolls in a nonincorporated private educational institution as the result of misrepresentation is entitled to a refund.

C. DOES THE STATE REQUIRE INSTITUTIONS TO REFUND TUITION IN THE EVENT OF CLOSURE?

0/20 POINTS

**points for Type 1, Type 2, and Type 3 schools have been averaged to calculate the above score*

	Yes, full refund	Yes, partial refund	Yes, refund in limited circumstances	No refund required
Type 1	20 Points	15 Points	10 Points	0 Points
Type 2	20 Points	15 Points	10 Points	0 Points
Type 3	20 Points	15 Points	10 Points	0 Points

Explanation:

Type 1: Proprietary schools. Michigan law does not require proprietary schools to refund tuition in the event of closure.

Type 2: Educational corporations. Michigan law does not require educational corporations to refund tuition in the event of closure.

Type 3: Nonincorporated private educational institutions. Michigan law does not require nonincorporated private educational institutions to refund tuition in the event of closure.

D. DOES THE STATE ALLOW STUDENTS AMPLE TIME TO MAKE A COMPLAINT?

10/10 POINTS

**points for Type 1, Type 2, and Type 3 schools have been averaged to calculate the above score*

	2 years or more (or no deadline)	1-2 years	Under 1 year	Not applicable
Type 1	10 Points	5 Points	1 Point	0 Points
Type 2	10 Points	5 Points	1 Point	0 Points
Type 3	10 Points	5 Points	1 Point	0 Points

Explanation:

Type 1: Proprietary schools. Michigan law does not specify a deadline for students to file complaints.

Type 2: Educational corporations. Michigan law does not specify a deadline for students to file complaints.

Type 3: Nonincorporated private educational institutions. Michigan law does not specify a deadline for students to file complaints.

E. DOES THE STATE REQUIRE INSTITUTIONS TO DISCLOSE INFORMATION ABOUT FILING A COMPLAINT WITH THE STATE OVERSIGHT BODY?

2.5/20 POINTS

**points for Type 1, Type 2, and Type 3 schools have been averaged to calculate the above score*

Type 1: Proprietary Schools

Medium	Yes	Discretionary	No
Catalog	10 Points	5 Points	0 Points
Website	5 Points	2.5 Points	0 Points
Enrollment contract	5 Points	2.5 Points	0 Points

Explanation:

Michigan law requires proprietary schools to adopt and publish a written policy that allows students to file a complaint with LARA for any violation of the act governing proprietary schools or rules promulgated under it. (MCLS § 395.102c.) However, the law does not specify where the policy should be posted, leaving it up to the discretion of the school. Because a common places for schools to post these types of policies is on the school website and in the catalog, partial credit has been awarded.

Type 2: Educational corporations

Medium	Yes	Discretionary	No
Catalog	10 Points	5 Points	0 Points
Website	5 Points	2.5 Points	0 Points
Enrollment contract	5 Points	2.5 Points	0 Points

Explanation:

Michigan does not require educational corporations to disclose information about filing a complaint with the state oversight body.

Type 3: Nonincorporated private educational institutions

Medium	Yes	Discretionary	No
Catalog	10 Points	5 Points	0 Points
Website	5 Points	2.5 Points	0 Points
Enrollment contract	5 Points	2.5 Points	0 Points

Explanation:

Michigan law does not require nonincorporated private educational institutions to disclose information about filing a complaint with the state oversight body

F. IS THE COMPLAINT PROCESS READILY ACCESSIBLE AND AVAILABLE ON THE STATE OVERSIGHT BODY'S WEBSITE?

5/10 POINTS

**points for Type 1, Type 2, and Type 3 schools have been averaged to calculate the above score*

	Yes, with address	Yes, with phone #	Yes, with email address	Yes, with electronic form	No
Type 1	2 Points	2 Points	3 Points	3 Points	0 Points
Type 2	2 Points	2 Points	3 Points	3 Points	0 Points
Type 3	2 Points	2 Points	3 Points	3 Points	0 Points

Explanation:

Type 1: Proprietary schools. Information for students who would like to file a complaint against a postsecondary institution is located on LARA's website. The information includes a mailing address, instructions, and an electronic form.

Type 2: Educational corporations. Information for students who would like to file a complaint against a postsecondary institution is located on LARA's website. The information includes a mailing address, instructions, and an electronic form.

Type 3: Nonincorporated private educational institutions.

Information for students who would like to file a complaint against a postsecondary institution is located on LARA's website. The information includes a mailing address, instructions, and an electronic form.

VII. ENFORCEMENT: 0/100 POINTS

A. IS THERE LOSS OF STATE AID FOR SCHOOLS THAT REPEATEDLY PRODUCE SUBSTANDARD GRADUATION RATES, JOB PLACEMENT RATES, AND/OR COHORT DEFAULT RATES?

0/30 POINTS

**points for Type 1, Type 2, and Type 3 schools have been averaged to calculate the above score*

	Yes, required	Yes, required but limited	Yes, discretionary	Yes, discretionary but limited	No
Type 1	30 Points	20 Points	15 Points	5 Points	0 Points
Type 2	30 Points	20 Points	15 Points	5 Points	0 Points
Type 3	30 Points	20 Points	15 Points	5 Points	0 Points

Explanation:

Type 1: Proprietary schools. Michigan law does not require the loss of state aid for proprietary schools that repeatedly produce substandard graduation rates, job placement rates, and/or cohort default rates.

Type 2: Educational corporations. Michigan law does not require the loss of state aid for educational corporations that repeatedly produce substandard graduation rates, job placement rates, and/or cohort default rates.

Type 3: Nonincorporated private educational institutions. Michigan law does not require the loss of state aid for educational corporations that repeatedly produce substandard graduation rates, job placement rates, and/or cohort default rates. The law allows the Department to take legal action to compel institutions that are not meeting minimum standards to refrain from offering any part or all of such educational programs which the Department shall have found to be inadequate. However, the minimum standards do not specifically include performance measures such as graduation rate, job placement, exam passage, and cohort default rates.

B. DOES STATE LAW EXPLICITLY AUTHORIZE A PRIVATE RIGHT OF ACTION FOR STUDENTS AGAINST INSTITUTIONS THAT HAVE VIOLATED THE LAWS AND REGULATIONS IN PLACE TO GOVERN THEM?

0/30 POINTS

**points for Type 1, Type 2, and Type 3 schools have been averaged to calculate the above score*

	Yes	Limited circumstances	No
Type 1	30 Points	15 Points	0 Points
Type 2	30 Points	15 Points	0 Points
Type 3	30 Points	15 Points	0 Points

Explanation:

Type 1: Proprietary schools. Michigan law does not authorize a private right of action for students against proprietary schools that have violated the laws and regulations in place to govern them.

Type 2: Educational corporations. Michigan law does not authorize a private right of action for students against educational corporations that have violated the laws and regulations in place to govern them.

Type 3: Nonincorporated private educational institutions. Michigan law does not authorize a private right of action for students against educational corporations that have violated the laws and regulations in place to govern them.

C. DOES STATE LAW EXPLICITLY ALLOW ATTORNEY FEE AWARDS FOR STUDENTS WHO PREVAIL IN LITIGATION AGAINST PRIVATE FOR-PROFIT POSTSECONDARY INSTITUTIONS?

0/20 POINTS

**points for Type 1, Type 2, and Type 3 schools have been averaged to calculate the above score*

	Yes	Limited	No
Type 1	20 Points	15 Points	0 Points
Type 2	20 Points	15 Points	0 Points
Type 3	20 Points	15 Points	0 Points

Explanation:

Type 1: Proprietary schools. Michigan law does not explicitly allow attorney fee awards to students who prevail in litigation against proprietary schools that have violated the laws and regulations in place to govern them.

Type 2: Educational corporations. Michigan law does not explicitly allow attorney fee awards to students who prevail in litigation against proprietary schools that have violated the laws and regulations in place to govern them.

Type 3: Nonincorporated private educational institutions. Michigan law does not explicitly allow attorney fee awards to students who prevail in litigation against proprietary schools that have violated the laws and regulations in place to govern them.

**D. DOES STATE LAW EXPLICITLY AUTHORIZE
ATTORNEY GENERAL INVOLVEMENT?**

0/20 POINTS

**points for Type 1, Type 2, and Type 3 schools have been averaged to calculate the above score*

	Yes	Limited circumstances	No
Type 1	20 Points	10 Points	0 Points
Type 2	20 Points	10 Points	0 Points
Type 3	20 Points	10 Points	0 Points

Explanation:

Type 1: Proprietary schools. Michigan law does not explicitly authorize attorney general involvement. If a postsecondary institution is violating state or federal law, the attorney general may become involved, but there is nothing in Michigan law that specifies a role for the attorney general in matters related to proprietary schools.

Type 2: Educational corporations. Michigan law does not explicitly authorize attorney general involvement. If a postsecondary institution is violating state or federal law, the attorney general may become involved, but there is nothing in Michigan law that specifies a role for the attorney general in matters related to educational corporations.

Type 3: Nonincorporated private educational institutions. Michigan law does not explicitly authorize attorney general involvement. If a postsecondary institution is violating state or federal law, the attorney general may become involved, but there is nothing in Michigan law that specifies a role for the attorney general in matters related to educational corporations.

BONUS POINTS:

Michigan does not receive any bonus points.



ILLUMINATING INFORMATION



RECIPROCITY AGREEMENTS

Michigan is a member of the State Authorization Reciprocity Agreements (SARA).

LITIGATION, INVESTIGATIONS, AND ACTIONS INVOLVING PRIVATE FOR-PROFIT EDUCATIONAL INSTITUTIONS IN MICHIGAN

For more information about pending and recent federal and state government investigations and actions regarding for-profit colleges see David Halperin's compilation at <http://www.republicreport.org/2014/law-enforcement-for-profit-colleges/#sthash.1vc4HmPw.dpuf>.