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# MISSOURI

## FINAL GRADING ANALYSIS

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OVERALL SCORE: **254/700 POINTS (36.3%)**  
LETTER GRADE: **F**

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### I. OVERSIGHT BODY: **65/100 POINTS**

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A. IS THERE A STATUTORILY CREATED OVERSIGHT BODY  
THAT IS PUBLICLY ACCOUNTABLE?  
**50/60 POINTS**

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Element	Points Available	Points Awarded
1. Oversight body is a multi-member board, commission, or panel created by statute	10	10
2. Oversight body was statutorily created specifically to oversee private postsecondary institutions	10	5
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	10
4. Oversight body can engage in rulemaking	10	10
5. Oversight body's meetings must be open to the public	5	5
6. Oversight body's meetings must allow public comment	5	0
7. Oversight body can initiate investigations	5	5
8. Oversight body can impose penalties for violations	5	5
<b>Total Points</b>	60	50

**Explanation:**

The Coordinating Board for Higher Education (CBHE) is the head of Missouri's Department of Higher Education. (§ 173.005 R.S.Mo.) One of the Board's responsibilities is the regulation and oversight of for-profit private postsecondary institutions in Missouri. (§ 173.612 R.S.Mo.) The Board has the authority to investigate institutions and impose penalties where appropriate. (§ 173.612 R.S.Mo.) Meetings of the Board must be open to the public pursuant to Missouri's Sunshine Law, but there is no indication that meetings must allow for public comment. (§ 610.010 R.S.Mo., et seq.)

Missouri receives partial credit for having a board that was statutorily-created specifically to oversee private postsecondary institutions because Missouri law creates the Proprietary School Advisory Committee within the Department of Higher Education. The Committee, which is strictly advisory, was created to advise the Board in the administration of sections 173.600 to 173.618 R.S.Mo; make recommendations with respect to the rules and regulations establishing minimum standards which are to

be adopted by the Board; and advise the Board with respect to grievances and complaints. (§ 173.614 R.S.Mo.)

**B. STATUTE-SPECIFIED MEMBERSHIP:**

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

**10/25 POINTS**

<b>Explicit prohibition on for-profit majority, plus no possibility of a majority of the quorum</b>	<b>Explicit prohibition on for-profit majority</b>	<b>Discouraged</b>	<b>No prohibition specified, but not discouraged</b>	<b>For-profit majority mandated</b>
<b>25 10 Points</b>	20 Points	10 Points	0 Points	-5 points

**Explanation:**

Missouri law prohibits members of the Board from being engaged professionally as educators or educational administrators with a public or private institution of higher education at the time appointed or during their term. (§ 173.005 R.S.Mo.) However, Missouri loses 15 points because the state requires that all members of the Proprietary School Advisory Committee be owners or managerial employees of proprietary schools, and Missouri gives the Advisory Committee responsibilities that have the potential to greatly influence the Board. (§ 173.614 R.S.Mo.)

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

**0/10 POINTS**

<b>Yes</b>	<b>No</b>
10 Points	<b>0 Points</b>

**Explanation:**

Missouri law does not require either the Board or the Advisory Committee to include a consumer advocate. (§ 173.005 R.S.Mo.; § 173.614 R.S.Mo.)

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

**5/5 POINTS**

All	Majority	Half	Minority	None
<b>5 Points</b>	3 Points	2.5 Points	1 Points	0 Points

The Board consists of nine members appointed by the governor with the advice and consent of the senate. (§ 173.005 R.S.Mo.)

## II. STATE OVERSIGHT—EFFICACY:

**54/100 POINTS**

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

**3/10 POINTS**

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
10 Points	8 Points	5 Points	<b>3 Points</b>	0 Points

**Explanation**

Missouri law requires proprietary schools to have a certificate of approval to operate. The certificates must be renewed annually for newer schools; schools that have been in continuous operation for no less than five years are eligible to apply for certification that is valid for two years. Missouri requires the Board to review applications and may conduct an investigation of the applicant to ensure compliance with the rules and regulations. (§ 173.606 R.S.Mo.) The Board, therefore, has discretion to conduct reviews.

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

**0/5 POINTS**

Required unannounced visits	Discretion to do unannounced visits	No indication
5 Points	3 Points	<b>0 Points</b>

**Explanation:**

Missouri law does not require or authorize unannounced inspections for onsite reviews.

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

**20/20 POINTS**

Mandatory			Discretionary	None
Every 2 years or less	Every 3-5 years	Over 5 years	Discretion to conduct reviews	No review specified
<b>20 Points</b>	15 Points	10 Points	5 Points	0 Points

**Explanation:**

Missouri law requires proprietary schools to have a certificate of approval to operate. The certificates must be renewed annually for newer schools; schools that have been in continuous operation for no less than five years are eligible to apply for certification that is valid for two years. The Board must review and approve each of these applications. (§ 173.606 R.S.Mo.)

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

**18.5/20 POINTS**

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
20 Points	<del>17.5</del> <b>18.5 Points</b>	15 Points	12.5 Points	10 Points	7.5 Points	5 Points	2.5 Points	0 Points

Element	
Admission requirements	<b>M</b>
Graduation requirements	<b>M</b>
Placement rate	<b>M</b>
Completion rate (or graduation rate)	<b>M</b>
Advertising practices	<b>M</b>
Cohort default rate	<b>D</b>
Accreditation status	<b>M</b>
Financial aid policies	<b>M</b>

**Explanation:**

Missouri law outlines requirements for certification. (6 CSR 10-5.010.) Schools must obtain certification to operate and must renew annually. Missouri has standards in place related to admission requirements, graduation/completion requirements, placement rates, completion/graduation rate, advertising practices, accreditation, and financial aid policies. Some proprietary schools may qualify for biannual renewal. In order to qualify for biennial recertification, a school must maintain a cohort default rate of no more than five percent below the official threshold rate published by the United States Department of Education. (6 CSR 10-5.010.) Because the default rate is discretionary (it is required only for proprietary institutions subject to biennial recertification), Missouri receives only one point for that element.

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

**10/15 POINTS**

Yes, strongly distinguished	Yes, moderately distinguished	Yes, slightly distinguished	Not distinguished
15 Points	<b>10 Points</b>	5 Points	0 Points

**Explanation:**

Missouri law makes several distinctions between for-profit private postsecondary institutions and specified nonprofit private postsecondary institutions. For example, it exempts some religious and eleemosynary institutions from the statute governing proprietary institutions (§ 173.616 R.S.Mo) and it exempts nonprofit institutions that meet the definition of an “approved private institution.” (§ 173.1102 R.S.Mo.)

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

**2.5/10 POINTS**

Yes, mandatory	Yes, mandatory but limited	Yes, discretionary	Yes, discretionary but limited	No
10 Points	7.5 Points	5 Points	<b>2.5 Points</b>	0 Points

**Explanation:**

Generally, proprietary institutions must renew certification annually. In specified circumstances, the Board will allow a proprietary school to renew its certification on a biennial basis. However, one of the factors that will lead the Board to require an institution to return to annual recertification is a cohort default rate that exceeds five percent below the official threshold rate published by the United States Department of Education. (6 CSR 10-5.010(4)(f).) Missouri law also allows the Board to place a proprietary school on probation, suspend certification and revoke certification. Probation requires increased oversight, but is intended for situations in which the school is not compliant with the statutes and regulations governing it. Probation, suspension, and revocation are not implemented in response to poor performance with regard to graduation rates, placement rates, and/or cohort default rates. Therefore, Missouri does not receive full credit for this element.

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

**0/20 POINTS**

Yes	No
20 Points	<b>0 Points</b>

**Explanation:**

Missouri law does not contain any special protections for veterans who attend private postsecondary institutions. (§ 173.600 R.S.Mo. et seq.; 6 CSR 10-5.010.)

**III. STATE OVERSIGHT—SCOPE AND INCLUSION:**

**0/100 POINTS**

A. ARE EXEMPTIONS TO STATE OVERSIGHT COVERAGE LIMITED?

**0/100 POINTS**

No exemptions	Few exemptions	Moderate exemptions	Broad exemptions
100 Points	75 Points	50 Points	<b>0 Points</b>

**Explanation:**

Missouri law contains extensive exemptions from the requirement to obtain certification from the Board. For example, these exemptions include any college or university represented directly or indirectly on the Advisory Committee of the Coordinating Board for Higher Education, and a “school that is otherwise licensed and approved under and pursuant to any other licensing law of this state.” (6 CSR 10-5.010(3).)

Additionally, Missouri law gives faith and credit consideration to accreditation by a national or regional accrediting association recognized by the United States Department of Education and to approval by other governmental agencies, including certification or licensing approval by another state. The Department has discretion to waive any part of the certification procedure for reason of such accreditation or approval. (6 CSR 10-5.010(4); § 173.604 R.S.Mo.)

#### IV. DISCLOSURE REQUIREMENTS: **15/100 POINTS**

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

**0/20 POINTS**

Yes, mandatory	Yes, discretionary	None
Fact sheet or equivalent required to be given to students	Fact sheet or equivalent given to students upon request	No fact sheet required
20 Points	10 Points	0 Points

**Explanation:**

While Missouri law requires proprietary schools to provide students with a catalog containing information about admission, graduation, refunds, and other school policies, it does not require proprietary schools to provide potential students with a fact sheet or other document containing performance measure disclosures. (6 CSR 10-5.010(6).)

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

**0/60 POINTS**

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:**

Missouri law does not require proprietary institutions to disclose performance measures to potential students prior to enrollment.

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

**15/20 POINTS**

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:**

Missouri law requires proprietary schools to disclose information in the enrollment contract about total cost of a program, refund information, and the time required to complete a program. (6 CSR 10-5.010.)

**V. REGULATION OF RECRUITING PRACTICES:**

**75/100 POINTS**

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

**75/100**

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

PROHIBITED ACTS

Included in list of prohibited acts	
Misleading representations using the word “college” or “university”	
Misleading institution affiliations (e.g., military, public institutions, businesses)	<b>X</b>
Promise of employment	<b>X</b>
Compensation for enrollment	
Compensation or “bounty” to recruiters	
Deception (broad prohibition)	<b>X</b>
Misrepresentation (broad prohibition)	<b>X</b>
Misleading representations re: accreditation	<b>X</b>

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

**Explanation:**

In 6 CSR 10-5.010, Missouri specifies standards for proprietary school advertising. The standards effectively prohibit misleading promised employment (advertising in the want ads, etc.), deception, misrepresentation, and misleading representations related to a school’s accreditation.

## VI. COMPLAINT PROCESS AND RELIEF FOR STUDENTS:

**40/100 POINTS**

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

**20/20 POINTS**

Yes	No
20 Points	0

**Explanation:**

Missouri requires each proprietary school to file a security bond covering the school and its agents to indemnify any student, enrollee or parent, guardian, or sponsor of a student or enrollee who suffers loss or damage because of the school's violation of sections 173.600 to 173.618, or because a student is unable to complete the course due to the school's ceasing operation, or because a student does not receive a refund to which he is entitled. The bond or other security shall cover all the facilities and locations of a proprietary school and shall not be less than \$5,000 or 10 percent of the preceding year's gross tuition, whichever is greater, but in no case shall it exceed \$100,000. (§ 173.612 R.S.Mo.)

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

**0/20 POINTS**

Yes, full refund	Yes, partial refund	No refund required
20 Points	10 Points	0 Points

**Explanation:**

Missouri does not explicitly require proprietary schools to provide a full or partial refund to students who enroll as the result of misrepresentation.

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

**10/20 POINTS**

Yes, full refund	Yes, partial refund	Yes, refund in limited circumstances	No refund required
20 Points	15 Points	10 Points	0 Points

**Explanation:**

Missouri gives proprietary schools discretion to provide a refund in situations in which the school closes or has its certificate of approval suspended, revoked, or not renewed. (6 CSR 10-5.010(8)(b).) Thus, students will receive refunds only if a school decides to provide them.



D. DOES THE STATE ALLOW STUDENTS AMPLE TIME TO MAKE A COMPLAINT?  
**10/10 POINTS**

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

**Explanation:**

Missouri law does not specify a timeframe for student complaints and does not give a deadline by which students must file an initial complaint.

E. DOES THE STATE REQUIRE INSTITUTIONS TO DISCLOSE INFORMATION ABOUT FILING A COMPLAINT WITH THE STATE OVERSIGHT BODY?  
**0/20 POINTS**

Medium	Mandatory	Discretionary	Not specified
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:**

Missouri does not explicitly require 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?  
**0/10 POINTS**

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

**Explanation:**

The complaint process is explained in a form that can be found on the Department's website, and the form does contain a phone number—but it is not readily available. A student would have to go to the Board's website, run a search, and then sift through the documents to find this link. Further, the process requires that prior to filing a complaint, complainants must first call the Department of Higher Education to indicate their desire to file a complaint. At that time, the Department will ascertain whether the issue can be resolved through informal means and also determine whether administrative processes available within the institution of concern have been exhausted. If after that screening the complainant still desires to initiate a formal complaint, the Department will send the complainant the form to be filled out and returned for that purpose.

**VII. ENFORCEMENT: 5/100 POINTS**

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

**5/30 POINTS**

Yes, required	Yes, required but limited	Yes, discretionary	Yes, discretionary but limited	No
30 Points	20 Points	15 Points	<b>5 Points</b>	0 Points

**Explanation:**

In limited circumstances a school may be penalized for poor performance. Specifically, schools that meet eligibility criteria may request a certificate of approval to operate that is valid for a two-year period, rather than a one-year renewal period. If these schools fail to maintain an official cohort default rate of no more than 5 percent below the official threshold rate published by the United States Department of Education, the Board can rescind its biennial recertification. (6 CSR 10-5.010(4).)

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

**0/30 POINTS**

Yes	Limited circumstances	No
30 Points	15 Points	<b>0 Points</b>

**Explanation:**

Missouri law does not create a private right of action for students against institutions 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**

Yes	Limited	No
20 Points	15 Points	<b>0 Points</b>

**Explanation:**

Missouri law does not explicitly allow attorney fee awards for students who prevail in litigation against institutions who have violated the laws and regulations in place to govern them.

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D. DOES STATE LAW EXPLICITLY AUTHORIZE  
ATTORNEY GENERAL INVOLVEMENT?

**0/20 POINTS**

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Yes	Limited circumstances	No
20 Points	10 Points	<b>0 Points</b>

**Explanation:**

Missouri law does not explicitly authorize attorney general involvement in matters related to private postsecondary educational institutions in the state.

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**BONUS POINTS:**

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Missouri does not receive any bonus points.



**ILLUMINATING INFORMATION**



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**RECIPROCITY AGREEMENTS**

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

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

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For 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>.