

**EDUCATION AND LABOR CABINET**  
**Kentucky Commission on Proprietary Education**  
**(Amended at ARRS Committee)**

**791 KAR 1:155. School closing process.**

RELATES TO: KRS 61.870-61.884, 61.878(1)-(5), 165A.340(11), 165A.370, 165A.390(5)

STATUTORY AUTHORITY: KRS 165A.390(5), 165A.400

NECESSITY, FUNCTION, AND CONFORMITY: KRS 165A.400 authorizes the commission to promulgate administrative regulations to administer the provisions of KRS 165A.310 to 165A.390. Pursuant to KRS 165A.390(5), prior to discontinuance of operations, a school shall convey student records to the commission. The commission shall set forth which records are to be conveyed, the manner they are to be conveyed, where they shall be stored, and the length of time for storage. This administrative regulation sets forth the specific responsibilities of a licensed school if it discontinues operations in accordance with KRS 165A.390(5).

**Section 1. Definitions.**

- (1) "Academic records" means records pertaining to academic matters, including enrollment agreements, contracts, transcripts, syllabi, catalogs, course listings, and attendance records.
- (2) "Discontinuance of operation" means ceasing to operate as a school in the ordinary course of business, or in accordance with the minimum standards and requirements set forth in KRS 165A.370, or in a manner that prevents a student from completing the course or program as scheduled.
- (3) "Financial aid records" means records pertaining to financial aid matters including applications for financial aid, award notices, disbursement amounts, refunds, student accounts, and loan promissory notes.
- (4) "Financial records" means records pertaining to financial matters including ledger cards to include charges, credits, disbursements, refunds, and financial information.

**Section 2. Procedures for Discontinuance of Operations and Conveyance of Student Records.**

- (1) A school shall notify the commission in writing of its intent to discontinue operations at least ten (10) business days prior to discontinuation of operations.
- (2) A school shall simultaneously submit to the commission and the surety or financial institution notification of cancellation of school surety bonds, agent surety bonds, or letters of credit.
- (3) If a school closes, the school shall make arrangements with the commission to forward all student transcripts, financial aid records, and financial records to the offices of the commission.
- (4) If a school closes, the school shall arrange with another school or schools to provide teach-out options for students who may need that service.

**Section 3. Immediate or Precipitous School Closure. In the absence of a notification of the intent to close, if the commission determines that a school has discontinued operations, a school shall submit the following records:**

- (1) Academic records of current and former students who attended the school within the last two (2) years prior to closure;
- (2) Transcripts of former students who attended the school more than two (2) years prior to closure;
- (3) Financial aid records of current and former students; and

- (4) Financial records of current and former students; and
- (5) Documents subpoenaed by the commission or the commission's designee in accordance with KRS 165A.340(11).

Section 4. Retention of Records by the Commission.

- (1) The commission shall retain the original documents, or true and accurate copies, of transcripts and all other documentation received pursuant to Section 2 of this administrative regulation, in accordance with the Kentucky Commission on Proprietary Education Records Retention Schedule Recommendation developed with the Kentucky Department of Libraries and Archives.
- (2) Documents obtained by the commission pursuant to Section 2 of this administrative regulation shall be state records under KRS 61.870 to 61.884 and subject to KRS 61.878(1)-(5).

Section 5. Incorporation by Reference.

- (1) "Kentucky Commission on Proprietary Education Records Retention Schedule Recommendation", June 14, 2012, is incorporated by reference.
  - (2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Kentucky Commission on Proprietary Education, 500 Mero Street, 4th Floor, Frankfort, Kentucky 40601, Monday through Friday, 8 a.m. to 4:30 p.m. This material is also available on the commission's Web site at [www.kcpe.ky.gov](http://www.kcpe.ky.gov).
- (34 Ky.R. 1306; Am. 1718; eff. 2-1-2008; Recodified from 201 KAR 40:155, 6-12-2014; TAm eff. 4-12-2017; 48 Ky.R. 1051; 49 Ky.R. 805; eff. 1-3-2023.)

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