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Rulemaking Hearing Rule(s) Filing Form

Rulemaking Hearing Rules are rules filed after and as a result of a rulemaking hearing (Tenn. Code Ann. § 4-5-205).

Pursuant to Tenn. Code Ann. § 4-5-229, any new fee or fee increase promulgated by state agency rule shall take effect on July 1, following the expiration of the ninety (90) day period as provided in § 4-5-207. This section shall not apply to rules that implement new fees or fee increases that are promulgated as emergency rules pursuant to § 4-5-208(a) and to subsequent rules that make permanent such emergency rules, as amended during the rulemaking process. In addition, this section shall not apply to state agencies that did not, during the preceding two (2) fiscal years, collect fees in an amount sufficient to pay the cost of operating the board, commission or entity in accordance with § 4-29-121(b).

Agency/Board/Commission:	Tennessee Higher Education Commission
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Revision Type (check all that apply):

- Amendment
- New
- Repeal

Rule(s) (ALL chapters and rules contained in filing must be listed here. If needed, copy and paste additional tables to accommodate multiple chapters. Please make sure that **ALL** new rule and repealed rule numbers are listed in the chart below. Please enter only **ONE** Rule Number/Rule Title per row.)

Chapter Number	Chapter Title
1540-01-02	Authorization and Regulation of Regularly Authorized Postsecondary Education Institutions
Rule Number	Rule Title
1540-01-02-.01	Preface
1540-01-02-.02	Role of the Commission, Executive Director, Committee, and Commission Staff
1540-01-02-.03	Definitions
1540-01-02-.04	Determination for Required Authorization
1540-01-02-.05	Exemptions
1540-01-02-.06	Minimum Standards and Requirements
1540-01-02-.07	Institutional Applications
1540-01-02-.08	Regulations for Specific Institutions and Programs
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1540-01-02-.12	Admissions Standards
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**CHAPTER 1540-01-10
REGULATION OF POSTSECONDARY EDUCATIONAL INSTITUTIONS WITH OPTIONAL EXPEDITED
AUTHORIZATION (OEA)**

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1540-01-10-.01 Incorporation of Rules.



- (1) Rules 1540-01-02-.01, .02, .04, .09, .18 and ~~.26~~ .23 shall be incorporated into this Rule Chapter as if fully written herein.

Authority: T.C.A. §§ 49-7-2005, 49-7-2022, ~~and 49-7-2023~~, and 2022 Tenn. Pub. Ch. No. 1044.

1540-01-10-.02 Definitions.



- (1) "Accreditation" is a non-governmental, peer evaluation of postsecondary educational institutions and programs. ~~P~~ by private educational associations ~~of regional and national scope~~ that have adopted criteria for educational programs and have developed procedures for evaluating institutions or programs. The date of accreditation is the date applicable to a location and includes approval, recognition, or similar designation of a branch, satellite, instructional, or other location descriptor used by an accreditor. These criteria determine whether or not institutions or programs are operating at basic levels of quality. The Commission only recognizes accrediting agencies that are recognized by the U.S. Department of Education.
- (2) "Act" means the Tennessee Higher Education Authorization Act of 2016, T.C.A. §§ 49-7-2001, et seq., as amended.
- (3) "Articulation and transfer of credit agreement" means an arrangement between two (2) higher education institutions that is approved and signed by authorized institutional representatives and constructed by faculty in the discipline that (1) equates for transfer of a defined set or block of academic credits that will meet requirements of a specified program at a degree-awarding institution or (2) provides that a specific credential from one institution will meet the admission education requirement for a program leading to a higher credential at a second institution.
- (4) "Authorization" means approval of a postsecondary educational institution by the Commission for the institution to engage in activities or operations otherwise prohibited by T.C.A. § 49-7-2007. Authorization is for a specified time at a specified location. Institutions shall not use authorization to connote greater approval than simple permission to engage in allowed activities or operations. Terms which may not be used include, but are not limited to, "accredited by," "supervised by," "endorsed by," and "recommended by the Commission." ~~"Authorization to operate" means approval of the Commission to operate or to contract to operate a postsecondary educational institution~~

~~in this state as described in T.C.A. § 49-7-2007(1) — (3) or (5). Authorization to operate is for a specified time at a specified location. Institutions shall not use an authorization to operate to connote greater approval than simple permission to operate. Terms which may not be used include, but are not limited to, "accredited," "supervised," "endorsed," and "recommended by the Commission."~~

(5) "Commission" means the Tennessee Higher Education Commission.

~~(6) "Committee" means the Committee on Postsecondary Educational Institutions.~~

~~(7) "Degree-granting postsecondary educational institution" includes institutions offering education or training above the high school level and where the institution awards degrees, such as associate, bachelors, masters, specialist, or doctoral degrees.~~

~~(8)~~ (6) "Division of Postsecondary State Authorization" or "DPSA" means the division within the Tennessee Higher Education Commission tasked with overseeing the implementation and enforcement of the Act and these rules.



(7) "Enrollment" or "Enrolled" refers to those students who have attended one (1) session of class, turned in one (1) assignment, or received one (1) distance learning lesson.

(98) "Federal student financial aid programs" means any of the various loans or grants offered to students, parents, or institutions through Title IV of the Higher Education Opportunity Act, as amended.



(9) "Institutional director" means the individual designated by the institution to assume responsibility for ensuring that the conduct of the institution and its agents are within the Act and these rules.

(10) "License" or "Licensure" includes similar terms, such as registration and certification, and means a designation from a subject matter expert state agency, board, or commission indicating that the recipient has met certain requirements for obtaining the designation, for example, a licensed massage therapist or educator.



(11) "Location" means an address that may be used for purposes of a postsecondary educational institution in compliance with all pertinent ordinances and laws, including any rules and regulations adopted pursuant to the ordinances and laws, relative to zoning and the safety and health of persons at the address. When physical presence activities or operations are not the result of instruction at a postsecondary educational institution location as determined by the Commission staff, such as supervised field experiences or similar activities or operations, then the postsecondary educational institution location from which the educational credential is awarded must be the authorized location. ~~"Location" means an address that is zoned for commercial purposes for use as a postsecondary educational institution.~~

(12) "Optional expedited authorization" or "OEA" means the alternative optional ~~expedited~~ authorization available pursuant to T.C.A. § 49-7-2022 and these rules to certain accredited ~~degree-granting postsecondary educational~~ institutions.

(13) "Other fees" means fees, other than tuition, paid to the institution or third parties for products or services, including, but not limited to, fees paid for tangible goods, laboratory fees, technology fees, student activity fees, graduation fees, or fees paid for housing, meals, or transportation.

(14) "Ownership" and "Owner" mean:

- (a) the individual, if the postsecondary educational institution is a sole proprietorship;
- (b) all partners, whether full, silent, or limited, if the postsecondary educational institution is a partnership;
- (c) all individuals and entities with an interest in the for-profit corporation or other for-profit legal entity, if the postsecondary educational institution is a for-profit corporation or other for-profit legal entity; or
- (d) the executive committee of the governing board, if the postsecondary educational institution is a not-for-profit or nonprofit entity.



(~~14~~15) “Postsecondary educational institution” includes, but is not limited to, a school, college, university, or other type of entity offering educational credentials, instruction, educational services, or other activities as described in T.C.A. § 49-7-2007, primarily to persons who have completed or terminated their secondary education, or who are beyond the age of compulsory high school attendance, for the attainment of educational, professional, or vocational objectives. The terms “location,” “postsecondary educational institution,” and “institution” may be used interchangeably such that determinations made pursuant to the Act and these rules are made in regard to the specific location. ~~“Postsecondary educational institution” includes, but is not limited to, an academic, vocational, technical, online/distance learning, business, professional, or other school, college, or university, or other organization or person, offering educational credentials, or offering instruction or educational services primarily to persons who have completed or terminated their secondary education or who are beyond the age of compulsory high school attendance, for attainment of educational, professional, or vocational objectives.~~



- (16) “Primarily located” means the state recognized by the accreditor as the state in which the main campus is located;
- (17) “Prospective student” means a student who has been accepted for attendance at an institution but who is not enrolled as defined in subparagraph (7) of this rule.
- (18) “Supervised field experiences” means a student learning experience comprised primarily of the practical application of previously studied theories and skills, under the oversight of a supervisor, mentor, faculty member or other qualified professional who has a direct or indirect reporting responsibility to the institution where the student is enrolled, whether or not credit is granted. The supervised field experience is part of a program of study offered by the enrolling institution. Examples include, but are not limited to, practica, student teaching, clinical placements, or internships.

(~~15~~19) “These rules” means all rules contained in Rule Chapter 1540-01-10.

(~~16~~20) “Tuition” means any fee involving the student, actually charged or tracked as a bookkeeping item for instruction provided.

Authority: T.C.A. §§ 49-7-2005, 49-7-2022, ~~and 49-7-2023,~~ and 2022 Tenn. Pub. Ch. No. 1044.

1540-01-10-.03 Eligibility and Application Requirements.

(1) In order to receive OEA, a postsecondary educational institution must submit a signed OEA Application demonstrating that the institution meets the following eligibility requirements:

~~(a) Meet the definition of degree-granting postsecondary educational institution;~~

- (b) Be accredited by ~~a regional or national institutional~~an accrediting agency recognized by the U.S. Department of Education; and
- (e) Provide the following information and documentation ~~as part of a signed and notarized OEA Application created by Commission staff:~~
1. evidence of ~~good standing and valid~~ institutional accreditation from ~~a regional or national~~an institutional accrediting agency recognized by the U.S. Department of Education indicating that the location for which authorization is being sought is accredited or properly recognized by the accreditor;
 2. documentation evidencing an established, clearly articulated, and comprehensive process for the resolution of student complaints. In order to be a comprehensive complaint process, the process must contain:
 - (i) a detailed explanation as to how a student escalates a grievance to the highest level at the authorized ~~institution~~ location, for example, to the institutional director;
 - (ii) an opportunity for all persons involved in the complaint to be heard at any final step at the ~~institutional~~authorized location level, including, but not limited to, an appeal;
 - (iii) an explanation as to how the institution will notify students that complaints not resolved at the ~~institutional~~authorized location level may be filed with the Commission; and
 - (iv) an explanation as to how students will be notified of the institution's comprehensive complaint process;
 3. documentation ~~demonstrating the institution is operating lawfully in Tennessee~~ evidencing that the institution is authorized or exempt from authorization in the state where it is primarily located, if the institution is not authorized in Tennessee;
 4. documentation, if deemed necessary, evidencing that the institution meets and maintains financial standards and institutional stability acceptable by the accreditor for the purpose of maintaining accreditation or the United States department of education for the purpose of being a Title IV eligible institution; ~~documentation demonstrating that the institution is currently maintaining financial standards and institutional stability deemed acceptable for eligibility in Title IV federal student financial aid programs. Documentation shall include at a minimum:~~
 - (i) ~~the most recent independent audit completed, in part, for purposes of calculating the institution's federal financial composite score as described in 34 C.F.R. § 668.172; and~~
 - (ii) ~~any correspondence issued in the past twenty-four (24) months from the Federal Student Aid Office of the U.S. Department of Education concerning eligibility for financial aid, including, but not limited to, financial ratios, a letter of credit alternative, or a provisional certification alternative as well as any related correspondence from the institution;~~



5. a comprehensive list or verification of all programs offered at the institution along with, when applicable, documentation evidencing receipt of all requisite program approvals from subject matter expert state licensing agencies, boards, or commissions. Evidence shall be provided for any program designed to train a student for employment in a field where a license is required in order to be employed in that field. The evidence shall clearly demonstrate that the state agency, board, or commission has determined that the program meets the educational requirements necessary to receive a license or sit for a required exam. The comprehensive list or verification shall include, at a minimum, the following information:
 - (i) program name;
 - (ii) DPSA assigned program code;
 - (iii) credential awarded;
 - (iv) credit hours or contact hours to be awarded;
 - (v) length of time expected to complete the program;
 - (vi) cost of program tuition;
 - (vii) cost of other fees;
 - (viii) program status;
 - (ix) a Classification of Instructional Programs (CIP) code;
 - (x) whether programmatic accreditation is required for the program and the name of the accreditor that has reviewed and accredited the program; and
6. the website addresses to the ~~gainful employment data for gainful employment programs~~ [most current version of the following information](#). The address should provide a reasonable person easy access to this information:
 - (i) [Costs of attendance](#);
 - (ii) [Information on whether academic credits attained are transferable to other institutions operating in Tennessee](#);
 - (iii) [Executed articulation and transfer of credit agreements with other institutions operating in Tennessee, if applicable; and](#)
 - (iv) [Federal student cohort default rates](#).
7. a report of any illegal or unethical conduct by employees, agents, contractors, or third-party service providers related to the delivery of educational programs and services to students with any corrective action and remedies taken by the institution;
8. a description of the ownership of the institution and when applicable, a corporate flowchart [or tree](#) showing the institution's position in

relationship to all affiliated ~~corporate~~-legal entities;

~~9. copies of all executed articulation and transfer of credit agreements with other institutions operating in Tennessee;~~

~~109.~~ the most recently calculated three-year (3) official cohort default rate from the Office of Federal Student Aid of the U.S. Department of Education. ~~Institutions with official cohort default rates for the three most recent years equal to or greater than thirty percent (30%) or a current official cohort default rate greater than forty percent (40%) are not eligible for OEA.; and~~

~~110.~~ affirmation of the requirement to submit statistical data as described in Rule 1540-01-02-.18; and

11. other than public institutions, a continuous institutional surety bond on the prescribed form.

(c) OEA will be granted for four (4) years, unless otherwise determined by the Executive Director or the Commission. Institutions with a four (4) year authorization term shall submit Certifications of Compliance as provided for in these rules in years one (1), two (2), and three (3) and an OEA Application as provided for in these rules in year four (4).

(d) Commission staff will review an OEA Application to determine whether the application demonstrates that the institution complies with all requisite standards. Upon such a finding and in the case of an initial application, Commission staff will recommend that the Executive Director grant the institution provisional initial authorization.

1. An award of provisional initial authorization shall be subject to review and ratification by the Commission.

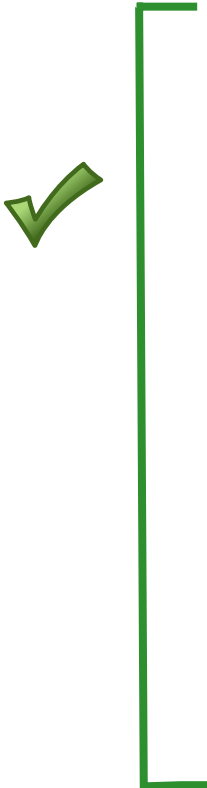
2. If an award of provisional initial authorization **is ratified** by the Commission, authorization becomes OEA.

3. If an award of provisional initial authorization **is not ratified** by the Commission, the institution shall cease all activities and operations as directed by Commission staff in accordance with the Act and these rules.

4. An institution awarded provisional initial authorization may engage in activities and operations; however, limitations as to time, procedures, functions, or other conditions may be imposed as deemed necessary. **Such limitations may include, but not be limited to, notifying prospective students** in the enrollment agreement, or similar document, that the institution:

i. is authorized provisionally subject to ratification by the Commission, and

ii. **must refund all moneys paid by or on behalf of prospective or enrolled** students in the event that the Commission does not ratify the award of provisional authorization thereby requiring the institution to cease activities or operations such that students are unable to begin or complete the program of enrollment.



(e) In the event that an OEA Application fails to demonstrate that the institution complies with all requisite standards, Commission staff shall provide written notice of the deficiencies to the applicant and provide applicant two (2) opportunities to correct the deficiencies. Following the second failed attempt to correct deficiencies, the application may be denied or Commission staff will recommend that the Executive Director take adverse action, including but not limited to placing the institution on conditional authorization status, or revoking authorization.



(2) Certification of Compliance

- (a) Annually during the authorization term, institutions with optional expedited authorization shall file a Certification of Compliance by a due date to be established by Commission staff and posted on the Commission's website.
- (b) The Certification of Compliance shall require at a minimum that the institution self-certify that it is engaged in activities and operations in compliance with the Act and these rules, the institution provide an updated comprehensive program list, and the certification be signed by the institutional director and, if other than the institutional director, the owner or a representative thereof.
- (c) Commission staff will review a Certification of Compliance and, upon finding that the certification demonstrates that the institution complies with all requisite standards, notify the institution of such. In the event that the Certification of Compliance fails to demonstrate that the institution complies with all requisite standards, Commission staff shall defer the Certification of Compliance by providing written notice of the deficiencies to the institution and providing the institution two (2) opportunities to correct the deficiencies. Following the second failed attempt to correct deficiencies, Commission staff may recommend that the Executive Director take adverse action, including but not limited to, placing the institution on conditional authorization status or revoking authorization.

~~(2) — After receipt of an institution's application, Commission staff shall conduct a detailed review and verification of the application. OEA applications will be processed as follows:~~

~~(a) — Upon satisfactory examination of all submitted documentation, Commission staff will recommend the application for recommendation of approval by the Committee to the Commission. Thereafter, the Committee's recommendation will be submitted to the Commission and upon approval by the Commission, Commission staff shall issue notification of the OEA status noting that it is valid for one (1) year.~~

~~(b) — If the Commission upon review and consideration of the application determines the applicant is not eligible and fails to meet the OEA criteria established in this section, the Commission shall notify the applicant of its decision to deny the application and set forth the reasons for the denial in writing. Such denial can be reviewed as further described in Rule .05 of these rules.~~

~~(c) — In order to continue OEA for an additional year, an institution must complete an application as described in Rule .03(1)(c) of these rules and file it with Commission staff by the due date immediately preceding the expiration date of the institution's current OEA. In the event that an application is timely filed but is not considered by the Commission prior to the current OEA expiration date, Commission staff may continue an institution's OEA for not more than six (6) months.~~

(3) Change of Ownership Application:

- (a) Authorization must be issued to the owner or governing body of the applicant institution and is nontransferable.

- (b) A change of ownership occurs when a transaction results in the controlling interest in the postsecondary educational institution changing from an authorized owner to an unauthorized owner. In the event of a change of ownership, the new owner must submit to Commission staff within five (5) business days after the change in ownership is finalized:
 - 1. a Change of Ownership Application and
 - 2. a request that the Executive Director grant the new owner conditional authorization until the new owner obtains provisional initial authorization.
- (c) The new owner shall submit an Initial Authorization Application as provided for in Rule Chapter 1540-01-02 or an Optional Expedited Authorization Application thirty (30) calendar days after the notice of conditional authorization.
- (d) The Change of Ownership Application shall require that the new owner provide the sales contract, bill of sale, deed, or other documents necessary to transfer ownership of the institution.
- (e) Commission staff will review a Change of Ownership Application and, upon finding that the application demonstrates that the institution complies with all requisite standards, grant the change of ownership and recommend that the Executive Director grant conditional authorization. In the event that the Change of Ownership Application fails to demonstrate that the institution complies with all requisite standards, Commission staff shall defer the application by providing written notice of the deficiencies to the applicant and providing applicant two (2) opportunities to correct the deficiencies. Following the second failed attempt to correct deficiencies, the application will be denied and the closure process described in Rule .23 of Rule Chapter 1540-01-02 may commence.

Authority: T.C.A. §§ 49-7-2005, 49-7-2022, ~~and 49-7-2023~~, and 2022 Tenn. Pub. Ch. No. 1044.

1540-01-10-.04 Required Notifications to Commission Staff.

- (1) OEA institutions shall notify Commission staff, within five (5) business days, of the following:
 - (a) action by an accrediting agency in regard to the institution's accreditation status, such as revocation, suspension, probation, warning, or similar action;
 - (b) notice of legal action involving the institution, or its parent entity if applicable, and Tennessee students, related to the delivery of educational programming or student consumer practices, including, but not limited to, class action lawsuits;
 - (c) utilization by the institution of a letter of credit or a cash management agreement with the U.S. Department of Education; ~~or~~
 - (d) public announcement of investigation by any governmental agency. The institution shall notify Commission staff whether the investigation is related to the institution's academic quality, financial stability, or student or consumer practices;
 - (e) change of ownership; or
 - (f) change of institutional director.
- (2) Institutions shall submit a New Program Notification Form when the institution offers a

~~new program on the Committee meeting due dates for any programs implemented since the last due date.~~ Once processed, Commission staff will issue the institution a program code for use when submitting statistical data.

- (3) At the request of Commission staff, the Executive Director, ~~the Committee~~, or the Commission, OEA institutions shall provide any information deemed necessary to monitor the institution's eligibility for OEA.

Authority: T.C.A. §§ 49-7-2005, 49-7-2022, ~~and 49-7-2023~~ and 2022 Tenn. Pub. Ch. No. 1044.

1540-01-10-.05 Denial or Withdrawal of an Application or Certification of Compliance of Oea Status.

- ~~(1)~~ (1) — When an application or certification is before Commission staff for consideration, Commission staff will provide the applicant written notice of its final determination. If, upon written notification of any action taken by Commission Staff, an aggrieved applicant desires a review by the Executive Director, the applicant shall notify the Executive Director within ten (10) business days of the date of the action of the Executive Director, otherwise the action of Commission staff shall be deemed final and no further review available. Any request for review by the Executive Director shall be in writing, signed, and provide a detailed explanation of each alleged error with references to the Act or these rules. A request may be denied if it is not received in a timely manner.

~~A decision of the Commission to deny OEA status shall be provided to the institution in writing through the Executive Director, provide the basis for denial, and be effective as of the date of the decision.~~

- (2) If, upon written notification of any action taken by the Executive Director, an aggrieved applicant desires a hearing and review by the Commission, pursuant to T.C.A. § 49-7-2012, the applicant shall notify the Commission within ten (10) business days of the date of the action of the Executive Director, otherwise the action of the Executive Director shall be deemed final and no further review available. Any request for review by the Commission shall be in writing, signed, and provide a detailed explanation of each alleged error with references to the Act or these rules. A request may be denied if it is not received in a timely manner. ~~Any person aggrieved by a decision of the Commission respecting denial of OEA status shall have the right to a hearing and review of the decision by the Commission as provided in T.C.A. § 49-7-2022(q) and these rules. An aggrieved party for purposes of this rule is any postsecondary educational institution denied OEA status.~~

- (3) Any person, agent, group or entity aggrieved or adversely affected by any final commission action may obtain judicial review of the action as provided in T.C.A. § 49-7-2012. ~~If an aggrieved party desires a hearing and review, the party shall file a written notice within ten (10) business days after the date of the Commission's written notice of denial. If written notice is not provided by an aggrieved party, then the action shall be deemed final.~~

- ~~(4) — Upon receiving notice from an aggrieved party, the Commission shall fix the time and place for a hearing and shall notify the aggrieved party of the time and place of the hearing. The Commission may vote to have an administrative law judge from the Administrative Procedures Division of the Tennessee Secretary of State's Office conduct a contested case proceeding and issue an initial order pursuant to the Uniform Administrative Procedures Act.~~

- ~~(5) — At the hearing, the aggrieved party may employ counsel, shall have the right to hear the evidence upon which the action is based, and present evidence in opposition or in~~

~~extenuation. If an administrative judge is not appointed, then any member of the Commission may preside except when a clear conflict of interest may be demonstrated.~~

~~(6) — Any decision by the Commission or an initial order by an administrative law judge shall include a statement of findings and conclusions upon all material issues of fact, law or discretion presented at the hearing and the appropriate rule, order, sanction, relief, or denial thereof.~~

~~(7) — Any final decision of the Commission shall be subject to the right of judicial review provided in T.C.A. § 49-7-2012.~~

Authority: T.C.A. §§ 49-7-2005, 49-7-2022, [and 2022 Tenn. Pub. Ch. No. 1044](#)~~and 49-7-2023.~~

1540-01-10-.06 [Conditional Status](#) of or Revocation of OEA Status.

(1) OEA may be [made conditional or](#) revoked for just cause [or as otherwise noted in T.C.A. § 49-7-2022](#). Revocation can occur as a result of:

(a) a vote of the Commission on its own motion ~~or on the recommendation of the Committee or the Commission staff~~; or

(b) a determination of the Executive Director pursuant to Rule 1540-01-02-.02(e).

(2) Just cause includes activities where the institution acted contrary to the public interest, exhibits questionable financial strength, or is not operating educational programs with acceptable outcomes and includes, but is not limited to:

(a) Loss or failure to meet any of the listed criteria for eligibility in Rule .03(1) of these rules;

(b) Failure to fulfill the requirements in Rule .03 of these rules;

(c) A finding resulting from a ~~signed student~~ complaint ~~that~~:

~~1. — the institution did not follow its policies as presented to the student; or~~

~~2. — the institution hid a fact or made a verbal or written inaccurate representation to the student that affected the student's ability to make an appropriate decision concerning the student's investment of time and money.~~

(d) Having an institution-level or program-level withdrawal, completion, placement, or in-field placement rate that is less than the state average rate for other OEA institutions or a program type for more than two (2) consecutive years;

(e) Providing false or misleading statistical data;

(f) Failure to comply with the requirements of the tuition guaranty fund under § 49-7-2018 and the related rules;

(g) A three-year federal financial aid cohort default rate as calculated by the U.S. Department of Education of thirty percent (30%) or higher for three (3) consecutive years or over forty percent (40%) for any single year;

[\(h\) Retaliating against a complainant who exercises their right to complain](#); or



Deleted here
but retained in
1540-01-10-.07



- (h) Allowing OEA to expire without timely filing an OEA Application, [Certification of Compliance](#), or Initial Authorization Application.
- (3) Upon revocation of any institution's OEA, the following shall occur:
- (a) The institution shall immediately be subject to all provisions of the Act and Rule Chapter 1540-01-02.
 - (b) The institution shall apply for Commission authorization under T.C.A. § 49-7-2008 and Rule Chapter 1540-01-02 [thirty \(30\) calendar days after the notice by the next due date which is more than ten \(10\) business days from the date of revocation.](#)
 - (c) The Executive Director may grant the institution conditional authorization to continue its operation as a non-OEA institution. Such conditional authorization shall not be for more than six (6) months. Failure to fulfill all conditions of authorization within six (6) months may lead to revocation of authorization.
 - (d) Any institution whose OEA is revoked by the Commission shall be ineligible to reapply [until the Commission determines that all bases for revocation have been resolved for OEA for no less than twenty-four \(24\) months from the date of revocation.](#)
- (4) Notwithstanding paragraphs (1) through (3) of this rule, no immediate action should be taken to revoke an institution's OEA when the institution's accreditor is removed from the U.S. Department of Education's list of recognized accreditors. The Executive Director shall set a time period in which institutions may continue to operate under OEA, assuming all other OEA requirements are met. The time period should coincide with the provisional time period set by the U.S. Department of Education for affected institutions to seek a new accreditor.
- [\(5\) Any action by the Commission or Executive Director under this rule shall be subject to review as provided in T.C.A. § 49-7-2012. All Commission actions are subject to due process provisions of the Uniform Administrative Procedures Act](#)

Authority: T.C.A. §§ 49-7-2005, 49-7-2022, ~~and 49-7-2023,~~ [and 2022 Tenn. Pub. Ch. No. 1044.](#)

1540-01-10-.07 Complaints.

- (1) Commission staff shall investigate any signed student complaint involving an OEA institution after verifying that the student has ~~escalated the complaint to exhausted the institution complaint process the institutional director and the institutional director has had an opportunity to investigate and resolve the complaint yet the complainant contends it remains unresolved.~~ [escalated the complaint to exhausted the institution complaint process](#)
- (2) Commission staff's investigation shall determine [as necessary](#):
 - (a) whether the institution followed its policies as represented to the student; and
 - (b) whether the institution failed to disclose a fact or made a verbal or written inaccurate representation to the student that affected the student's ability to make an appropriate decision concerning the student's investment of time and money.
- (3) When determining whether a finding is appropriate, Commission staff shall take into consideration any reasonable offers the institution made to resolve the student's

complaint at the institutional level.

- (4) The investigation will proceed as follows:
- (a) Complaints shall be signed and submitted ~~through hand delivery, mail, or electronic mail~~ as provided for in Rule .08 of these rules.
 - (b) Any named institution will receive a copy of the complaint and be provided an opportunity to respond to all allegations contained in the complaint.
 - (c) Any named institution shall provide all information requested by Commission staff as part of the investigation.
 - (d) As part of the investigation process, Commission staff may work with the complainant and the named institution to effectuate a settlement.
 - (e) If there are no findings, the complaint will be closed, and the written determination shall include a date by which an aggrieved party may submit a request for further review by the Executive Director as provided for in Rule 1540-01-02-~~02(2)(b)~~.[19\(8\)\(g\)](#). Such date shall ~~not be earlier than~~ ten (10) business days after the date of the written determinations. If no request for review is received, the complaint will be closed.
 - (f) If there are findings and proposed recommendations, the following process will be used:
 - 1. Commission staff shall provide in the written determinations and proposed recommendations a date by which either party may respond to the findings or recommendations. Such date shall not be earlier than ten (10) business days after the date of the written determinations.
 - 2. Following review of the responses, if any, Commission staff may:
 - (i) determine that the complaint is closed by providing written notice to the parties. The written notice shall include a date by which an aggrieved party may submit a request for further review by the Executive Director as provided for in Rule 1540-01-02-~~.19(8)(f)02(2)(b)~~. ~~Such date shall not be earlier than ten (10) business days after the date of the written determinations;~~ or
 - (ii) recommend that the Executive Director take some action that is within the scope of the proposed recommendations. Any decision of the Executive Director to take action will be provided to the parties by letter and shall include a date by which an aggrieved party may submit a request for further review by the ~~Executive Director~~[Commission](#) as provided for in Rule 1540-01-02-~~.19(8)(f)02(2)(b)~~. ~~Such date shall not be earlier than ten (10) business days after the date of the written determinations.~~
 - (g) Any request for review shall be in writing, signed, ~~list each instance where Commission staff erred,~~ and provide a detailed explanation of each alleged error with references to ~~specific statutes~~[the Act](#) or [these](#) rules. ~~Requests for review shall be received through hand delivery, mail, electronic mail or facsimile. A request may be denied if it is not received in a timely manner as set forth in subparagraph (f).~~



(h) Any party to the complaint aggrieved or adversely affected by any final commission action may obtain judicial review of the action as provided in T.C.A. § 49-7-2012.

Authority: T.C.A. §§ 49-7-2005, 49-7-2022, ~~and 49-7-2023~~, and 2022 Tenn. Pub. Ch. No. 1044.

1540-01-10-.08 Filing Methods and Requirements.

(1) ~~Application of~~ Due dates, denials, and deferrals, and withdrawals:

(a) For purposes of these rules, application refers to any application or certification.

(b) When a due date is provided by Commission staff, a complete application in the prescribed format shall be received at the Commission by the close of business on the due date. Applications received after the due date will be deemed late and will be reviewed after all timely filed applications or certifications are reviewed. For purposes of these rules, applications refer to any applications or certifications. ~~For each quarterly meeting of the Committee, Commission staff shall establish a due date that is no more than ninety (90) days before the date of the meeting. Unless stated by Commission staff, the established due date shall apply to Optional Expedited Authorization Applications. Applications shall be received at DPSA on or before the due date. Applications received after that date will be deemed late and may be deferred to the next due date.~~

(~~b~~c) Initial OEA Applications shall be filed in the prescribed format and may be filed at any time. All other OEA Applications shall be filed as provided for in these rules. Applications and certifications will be reviewed when complete. When received, Commission staff shall determine whether an application is complete and notify the applicant if the application is incomplete. An applicant will have thirty (30) calendar days to complete an incomplete application. Incomplete applications or certifications include applications or certifications submitted without all applicable fees or an attachment. An application that is not completed by the prescribed due date will be withdrawn. ~~An application submitted without the appropriate fee will be considered incomplete and will not be reviewed until all applicable fees are received. In any event, Commission staff may defer the application to the next due date.~~

(~~e~~d) Denial or withdrawal of an application does not prevent the applicant from submitting a new application. ~~Further, an incomplete application is an application that is missing any information or contains noncompliant information. Commission staff may defer consideration of the application to the next due date.~~

(~~d~~) ~~If an application is deferred, the institution shall have until the next established due date to complete the application.~~

(~~e~~) ~~An application can be deferred either by the institution or Commission staff a total of two (2) times. After the second deferral, the application will be deemed withdrawn if the institution does not submit a completed application by the next due date.~~



(2) Applications shall be filed electronically as prescribed in the application or using DPSA's electronic forms portal. ~~Unless otherwise provided in an application, all filings must be received via hand delivery, mail, electronic mail, or facsimile. Current addresses and fax numbers will be posted on the THEC webpage.~~

(3) ~~Filings shall be received on the due date. Items postmarked on the due date but not~~

~~received at DPSA will be deemed late.~~

Authority: T.C.A. §§ 49-7-2005, 49-7-2022, ~~and 49-7-2023,~~ and 2022 Tenn. Pub. Ch. No. 1044.

1540-01-10-.09 Fees.



- (1) An institution shall pay a fee of nine thousand dollars (\$9,000) to the Commission ~~with the~~ when filing an Optional Expedited Authorization Application or Certification of Compliance. Any convenience charge for electronic payments shall equal the amount charged by the vendor.
- (2) If an institution withdraws an application within three (3) business days from receipt, then all fees assessed less the convenience charge for electronic payments shall be refunded. After three (3) business days from filing of the application, all fees are nonrefundable.
- (3) Institutions that fail to complete the application process described in Rule .08 of these rules shall forfeit all fees paid.

Authority: T.C.A. §§ 49-7-2005, 49-7-2022, ~~and 49-7-2023,~~ and 2022 Tenn. Pub. Ch. No. 1044.