

Section 16-46-3

Exemptions from chapter; records of private postsecondary institutions ceasing operations.

(a) This chapter shall not apply to any school offering instruction in grades K-12, or any combination thereof, including any person in regard to the operation of such K-12 school.

(b) This chapter shall not apply to any of the following private postsecondary institutions, including any person in regard to the operation of such private postsecondary institution:

(1) Schools operated on a nonprofit basis offering only courses or programs of study which do not lead to an associate or baccalaureate degree and are limited in nature to the performance of or preparation for the ministry of any established church, denomination, or religion.

(2) Courses conducted by employers exclusively for their employees and courses conducted by labor unions exclusively for their members.

(3) Schools, colleges, and universities principally operated and supported by the State of Alabama or its political subdivisions.

(4) Seminars and short courses sponsored or offered by professional business, trade, or religious organizations primarily for benefit of members thereof, or similar public programs of training where the majority of the students have at least half of their tuition and enrollment fees paid by their employers, provided that evidence is supplied supporting this exemption continuously over the preceding five years.

(5) Any private postsecondary institution conducting resident courses whose principal base of operation is within the State of Alabama which has been in continuous operation for 20 years or more as of July 1, 2004, and that held accreditation as of that date by an accrediting agency recognized by the United States Department of Education.

(6) Programs of study regulated by other state public boards, commissions, or agencies requiring school licensure or performance bonding, or both, except where the appropriate regulatory agency requires a license under this chapter.

(7) Any private postsecondary institution conducting resident courses that has been in operation within Alabama for at least five years as of July 1, 2004, and that is accredited by an accrediting agency recognized by the United States Department of Education shall be accorded the following provisions: Upon proof of such accreditation, such private postsecondary schools shall be issued a license and representative permits after required fees are paid to the Alabama Department of Postsecondary Education. The requisite accreditation shall satisfy the minimum standards of this chapter.

(8) Any degree granting entity accredited by an accrediting body recognized by the United States Department of Education and located in and authorized by a state participating in a regional or national reciprocity agreement that the State of Alabama has joined with the approval of the

Governor or the Alabama Commission on Higher Education, and operating under the terms of that agreement.

(c) Any private postsecondary institution exempted in this section shall retain the exempted status as long as the conditions of exemption remain valid. An accredited private postsecondary institution or program of study not elsewhere exempted whose accreditation is withdrawn, suspended, or revoked shall forfeit its exemption status until the grant of accreditation is restored. Due process of the accrediting agency shall be allowed prior to withdrawal of an exemption. Private postsecondary institutions having accreditation withheld as a result of transfer of ownership shall be allowed a period of time to regain the grant in accordance with the appropriate accrediting agency regulations.

(d) An exemption pursuant to this section shall not be construed to constitute approval or endorsement by the State of Alabama for any purpose.

(e) Exempted private postsecondary institutions may voluntarily request to be licensed without surety as described in Sections 16-46-5 and 16-46-6.

(f) Private postsecondary institutions which cease operations shall place the student academic, attendance, and financial aid records in the office of the appropriate institutional administrator where a repository shall exist to safeguard and to make available these records to authorized persons upon request as follows:

(1) Private postsecondary institutions which merge, consolidate, or undergo change of ownership shall deposit with the continuing school.

(2) Private postsecondary institutions which are a part of a system, organization, franchise, or a ministry of a local church or a group of churches shall deposit with the administrative office thereof if such is to remain in operation.

(3) Other private postsecondary institutions not elsewhere designated shall deposit with the Department of Postsecondary Education.

(Acts 1971, 3rd Ex. Sess., No. 87, p. 4299, §4; Acts 1980, No. 80-272, p. 349, §1; Act 2004-282, p. 388, §1; Act 2011-296, p. 547, §1; Act 2014-245, p. 785, §5; Act 2014-330, p. 1221, §1; Act 2015-122, §1.)