

# VENABLE<sup>®</sup><sub>LLP</sub>

## Enrollment Agreements: Beyond the Basics

Caryn Pass  
AISAP Conference 2013





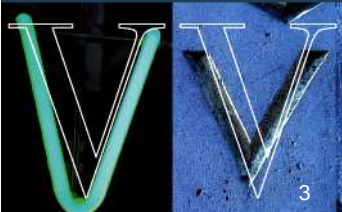
## basic guidelines

- no panicking allowed
  - information is power
  - panic results in bad decision making
- culture and mission
  - decisions inconsistent with culture and mission result in law suits
- risk assessment continuum
  - different decisions warrant different risk
  - is the benefit worth the risk
- consider state & federal laws and case law
- one time agreement
  - tuition notice annually
  - inconsistent agreements, repeat of commitment

## community factors

- boards
  - involving themselves in daily operations
  - second guessing administrative decisions
    - bullying school to remove “bad” kid
- parents behaving badly
  - demanding “more” for their money
  - challenging teachers and administration
  - watching grades and discipline
- kids
  - acting out as a result of stress
- teachers and other employees
  - less tolerance for students & parents

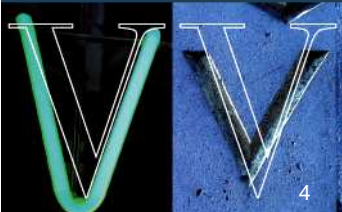
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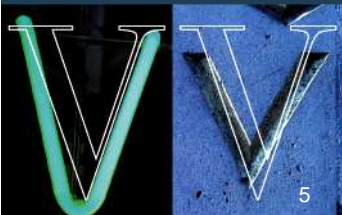


## international students

- challenges with enforcement
  - foreign country enforcement
    - local guarantor, full payment up front
- confirm ability to obtain assistance if language issue
- responsibility for student
  - local guardian
  - 3<sup>rd</sup> party vendor
- consider agreements with 3<sup>rd</sup> party vendor
  - representations made in behalf of school

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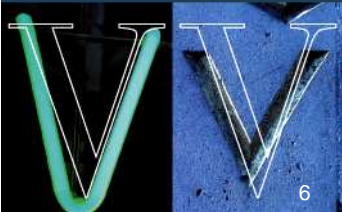
## legal issues

- breach of privacy
  - failure to protect private information
- refusal to satisfy tuition obligations
  - failure to protect child
    - dangerous students or adults
    - bullying
  - failure to educate
  - Misrepresentations
- challenges to discipline
- challenges to grades or other selections
  - AP placement, school play role
- custody and divorce proceedings

## tuition agreement goals

- removal of students and or family
  - behavior of student and or family as basis for removal of student or other disciplinary action
- maximum flexibility to change program, procedures and policies
  - ability to amend school year or make other changes without challenge
- collection of tuition and other fees
  - enforce collection of tuition
  - collection of fees and other financial exposure
  - leverage options

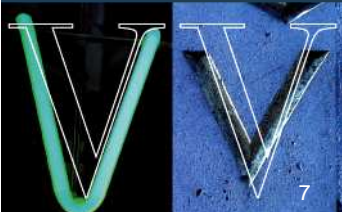
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## establishing contract relationship

- each student has own enrollment contract
- initial paragraph
  - student identified
  - enrollment year identified
    - 2013-2014 academic year or school year
  - grade identified
    - grade student will enter
- enrollment limited to 2013-2014
  - no commitment to re-enrollment in following years
- consideration
  - agree to conditions in exchange for enrollment
  - agree to enrollment in exchange for tuition
    - not exchange for education
- modification of agreement
  - must be in writing and signed by head
  - “middle school head said ok for me to notify after june 1”

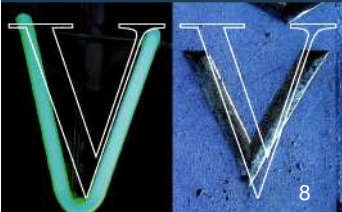
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## executing parties

- who executes agreement?
  - parents
    - both must sign
      - not valid without both signatures
      - only one parent involved
      - challenge of one parent revocation
    - one signs
      - may not be financially responsible
  - guardians
    - make certain financially responsible
    - legal responsibility for child
  - grandparents or other party
    - expects access to confidential information
    - not authorized to agree to other provisions
- timing of school signature
  - School signs before or after parent/guardian

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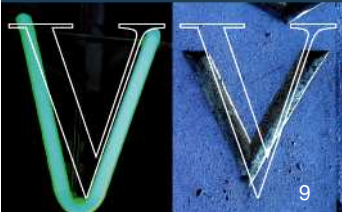




## timelines

- date for return of executed agreement
  - returning students
    - holding of contracts
    - ability to fill vacated slots
  - newly enrolled students
    - fill from wait list
  - mid-year or wait list students
- date for parent termination of contract without consequences
  - after which all tuition and fees due and owing
  - written notice to school's designated party for termination
- enforcement of time lines
  - consistent enforcement or waive right to enforce
  - student selected from wait list of another school after cut off date of June 1

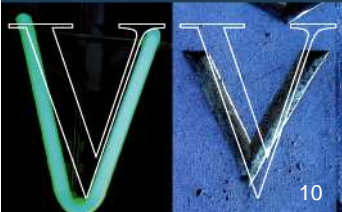
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# tuition and fees

- establish tuition amount
- define fees
  - including but not limited to
    - books, sports etc.
- enrollment fee or deposit
  - establish amount
  - forfeiture or refund
  - off set outstanding debts
- payment options
  - one payment; two payments; 10 payments
- tuition insurance or processing company
  - mandatory vs voluntary
  - require review of document by parent
  - premium identified as “fee”
- financial aid grants and local funding
  - in case of default

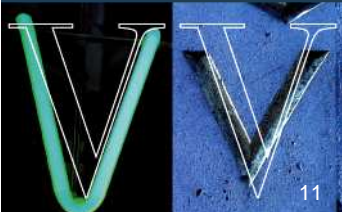
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## collection and enforcement

- payment of tuition and fees unconditional and due in full
  - regardless of whether “replacement” student found
  - not transferable to another student’s account
  - not considered charitable donation
  - regardless of withdrawal, removal, partial year attendance
- liquidated damages
  - impossible to determine exact amount at execution
  - not allowed in every state
- costs associated with enforcement reimbursed by parent
  - school’s legal fees and court costs

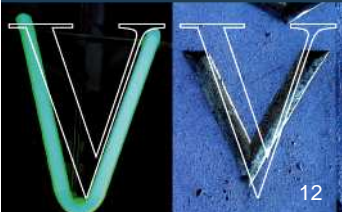
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## other factors

- use of student's photograph, writings and statement in school publications, including the school website, and other public communications without restriction or compensation
- participate in field trips and other activities
- directory misuse
- notification to college of discipline
- notification to other independent schools
  - outstanding debt
  - behavior of student
  - reason for departure
    - counseling out, withdrawal, expulsion

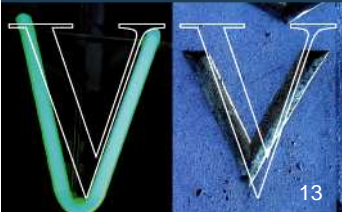
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## student and parent removal

- parent misbehavior
  - ability to expel child for behavior of parent(s), guardians, other adults or minors
  - interacting with the school by virtue of their relationship with the student
- student misbehavior
  - dismiss or otherwise discipline
  - does not meet the behavioral and/or academic standards of the school
  - whose conduct at any time or place interferes with program or operations
  - brings discredit to the school
- student handbook
  - duty to comply with provisions
    - (student discipline, code of conduct, AUP, reporting of discipline to colleges and university)

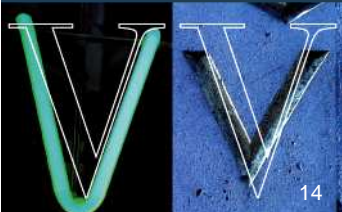
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## operations of school

- provide maximum flexibility to change
  - change at sole discretion of school
  - change in curriculum, programming, student teacher ratio, requirements
  - no obligation to modify, amend or otherwise provide alternative program for students missing school
    - student medical conditions
    - vacation or other absences
- acts of god
  - school can delay, extend, shorten, modify or take other actions to complete school year

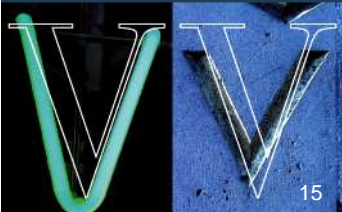
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## related issues

- divorce and custody issues
  - costs of document production or testimony in court
    - legal fees
    - value of faculty time
  - party executing enrollment agreement responsible
    - if mother signs and father subpoena's documents
  
- outstanding balance consequences
  - not permitted to attend classes, take examinations, participate in school activities, obtain grades or transcripts
  - no transcripts or recommendations to any party except as required by law
  - notification to transferring school
  - no re-enrollment

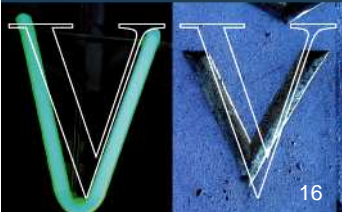
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## handbooks

- create “enforcement policy” (NOT IN AGREEMENT)
  - family moves out of town, medical condition
  - consistent enforcement or waive right to enforce

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the road ahead looks bright

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