
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2441

Session of
1984

INTRODUCED BY FATTAH, GALLAGHER, COWELL, EVANS, LINTON AND
FREIND, SEPTEMBER 18, 1984

REFERRED TO COMMITTEE ON EDUCATION, SEPTEMBER 18, 1984

AN ACT

1 Defining and providing for the licensing and regulation of
2 private schools; establishing the State Board of Private
3 Licensed Schools; imposing penalties; and making repeals.

4 TABLE OF CONTENTS

5 Section 1. Short title.

6 Section 2. Definitions.

7 Section 3. The State Board of Private Licensed Schools.

8 Section 4. Powers and duties of board.

9 Section 5. Optional licensing of private schools.

10 Section 6. Mandatory licensing of private schools and
11 admissions representatives.

12 Section 7. Application for license.

13 Section 8. Issuance and renewal of license.

14 Section 9. Licenses restricted.

15 Section 10. License fees.

16 Section 11. Directory of licensed schools.

17 Section 12. Requirements for licensure and operation.

18 Section 13. Enforcement, refusal, suspension or revocation

1 of license.

2 Section 14. Promulgation of rules.

3 Section 15. Penalties.

4 Section 16. Existing licenses to remain in force.

5 Section 17. Transfer of personnel, etc.

6 Section 18. Repeals.

7 Section 19. Effective date.

8 The General Assembly of the Commonwealth of Pennsylvania
9 hereby enacts as follows:

10 Section 1. Short title.

11 This act shall be known and may be cited as the Private
12 Licensed Schools Act.

13 Section 2. Definitions.

14 The following words and phrases when used in this act shall
15 have the meanings given to them in this section unless the
16 context clearly indicates otherwise:

17 "Adequate correction service." The proper receipt and prompt
18 correction of all required tests and materials, with appropriate
19 written comments and suggestions for correction of errors and
20 apparent weaknesses, and the prompt mailing of the corrected
21 materials to students concerned.

22 "Admissions representative." A person acting personally or
23 for a private licensed school, who for a consideration, at
24 locations off the premises of the school acts as a salesperson
25 to solicit or to procure through an enrollment agreement an
26 individual in Pennsylvania to enroll in a private licensed
27 school.

28 "Annual." Twelve months from the date of initial licensure.

29 "Biennial." Twenty-four months from the date of renewal
30 licensure.

1 "Board." The State Board of Private Licensed Schools.

2 "Department." The Department of Education.

3 "Enrollment agreement." A written contract between the
4 student and the private licensed school.

5 "Private licensed school." A school or classes operated for
6 profit or tuition that provides resident instruction to prepare
7 an individual to pursue an occupation in the skilled trades,
8 industry or business, or systematic instruction by
9 correspondence or by telecommunication in a field of study. It
10 shall not include a private academic school as defined in the
11 act of June 25, 1947 (P.L.951, No.401), entitled, as amended,
12 "An act defining and providing for the licensing and regulation
13 of private academic schools; conferring powers and imposing
14 duties on the State Board of Private Academic Schools; and
15 imposing penalties," a school maintained or a class conducted
16 for training for the vocation of homemaking or to give training
17 in public and other service occupations, a barber school, a
18 school of cosmetology, a flight school, a private tutorial
19 school including, but not limited to, a school of music or
20 dance, an institution granting a degree other than those
21 approved to award the degree of associate in specialized
22 business or associate in specialized technology, a school or
23 class conducted by an employer or trade union for employees or
24 union members where no fee or tuition is charged, a school owned
25 and operated by a bona fide religious institution whose only
26 purpose is the providing of religious instruction or a school
27 conducted by the Commonwealth or a political subdivision
28 thereof.

29 "Secretary." The Secretary of Education.

30 Section 3. The State Board of Private Licensed Schools.

1 (a) Members.--The board shall consist of 11 members, ten of
2 whom shall be appointed by the secretary. Two members shall
3 represent private licensed schools providing instruction in
4 business and commercial pursuits, two members shall represent
5 private licensed schools providing instruction in trades or
6 technologies, two members shall represent private licensed
7 schools providing correspondence or home study instruction and
8 four members shall be representative of the general public
9 having no current affiliation with private licensed schools. The
10 Director of the Bureau of Consumer Protection in the Office of
11 Attorney General, or his or her designee, shall serve ex-officio
12 and shall have voting rights. Of the initial appointments, five
13 members, one of each from the business, trade and correspondence
14 school sectors and two from the public sector shall be appointed
15 for terms of two years. Five members, one each from the
16 business, trade and correspondence school sectors and two from
17 the public sectors shall be appointed for terms of four years.
18 After the initial appointments, all terms shall be for four
19 years or until a successor has been appointed, but in no event
20 shall a member hold office for longer than six months beyond
21 expiration of the term. No board member shall serve more than
22 two consecutive four-year terms. An appointment to fill a
23 vacancy shall be for the unexpired term.

24 (b) Quorum.--Six members of the board shall constitute a
25 quorum. The board shall select annually a chairperson from among
26 its private licensed school and public members.

27 (c) Administrative support.--The board shall have
28 administrative support assigned from the staff of the
29 department.

30 (d) Compensation and expenses.--Members of the board, except

1 the Director of the Bureau of Consumer Protection or his or her
2 designee, shall receive \$60 per diem for each day actually
3 devoted to work of the board. The members shall be reimbursed
4 for reasonable travel, hotel and other necessary expenses
5 incurred in the performance of their duties.

6 (e) Forfeiture of membership.--A member who fails to attend
7 three consecutive board meetings shall forfeit his or her
8 membership on the board, unless the secretary, upon written
9 request from the member, determines that the member should be
10 excused from a meeting or meetings for reasons of illness or
11 death of an immediate family member.

12 (f) Meetings and records.--The board shall meet at least
13 four times a year at such times and places as it shall
14 determine. Special meetings may be called by the chairperson or
15 at the request of a majority of the members of the board
16 dependent upon the availability of funds to cover costs. Board
17 records and administrative records for private licensed schools
18 shall be maintained in Harrisburg.

19 (g) Documents.--Certificates of licensure and other official
20 documents approved by the board shall be issued by the
21 department.

22 Section 4. Powers and duties of board.

23 (a) Licensure, policies, etc.--The board shall have the
24 power and its duty shall be to approve or disapprove the initial
25 and renewal licensure or approval, or both, of schools, to
26 suspend or revoke the licensure or approval, or both, of
27 schools, to approve or disapprove the licensing of in-State and
28 out-of-State admissions representatives, to adopt broad policies
29 and principles and to establish standards, rules and
30 regulations. The regulations shall provide for a method of

1 school closure.

2 (b) Disposition of student records.--The board shall require
3 every applicant for initial or renewal licensure to provide a
4 written statement describing arrangements for disposition of
5 student records in the event of closure. It shall be the duty of
6 the board and the department to assist in the execution of the
7 arrangements when necessary. Priority shall be given to plans
8 for retention of the records with existing private licensed
9 schools in the same geographical area.

10 (c) Report of complaints.--The board shall submit annually
11 to the Education Committees of the House of Representatives and
12 Senate a report describing the types of complaints received
13 pertaining to private licensed schools. The report shall include
14 the source of the complaints, the status of the complaints,
15 board action initiated and the elapsed time from the filing of
16 the complaints until final resolution.

17 (d) Statistical report.--The board shall submit annually to
18 the Education Committees of the House of Representatives and
19 Senate a report containing statistical data on tuition rates,
20 job placement of graduates, percentage of students completing
21 programs of study and the level of State support for students.
22 This report shall pertain to those schools which undergo license
23 renewal in the year of the report.

24 (e) Enforcement by department.--The standards and
25 regulations promulgated by the board shall be enforced by the
26 department. The department may submit to individual experts for
27 review programs and courses and financial statements proposed or
28 offered by a school.

29 Section 5. Optional licensing of private schools.

30 A school which is not required to obtain a license may apply

1 for a license and, upon approval and issuance of the license,
2 shall be subject to the provisions of this act. It may
3 voluntarily surrender its license and revert to its original
4 status.

5 Section 6. Mandatory licensing of private schools and
6 admissions representatives.

7 (a) General rule.--A private school requiring licensure
8 shall not be established within this Commonwealth or continue
9 operation unless the school shall apply for and obtain from the
10 board a license issued in the prescribed manner and form.

11 (b) Admissions representatives for new school in this
12 Commonwealth.--Within this Commonwealth, no person or persons
13 shall advertise in behalf of, or solicit prospective students to
14 enroll in, a private school to be established within this
15 Commonwealth prior to the establishment of the school unless the
16 person or persons shall apply to the board for a license in the
17 prescribed manner and form and shall receive from the board
18 authorization to conduct the activities.

19 (c) Admissions representatives for new school outside this
20 Commonwealth.--Within this Commonwealth, no person or persons
21 shall solicit prospective students to enroll in a school to be
22 established outside this Commonwealth prior to the establishment
23 of the school unless the person or persons shall apply for and
24 obtain from the board an admissions representative's license in
25 the manner and form prescribed.

26 (d) Admissions representatives for existing school.--No
27 person or persons shall solicit any prospective student within
28 this Commonwealth to enroll in a school located within or
29 outside this Commonwealth unless the school has been licensed or
30 approved by the board and unless the person or persons shall

1 apply for and obtain from the board an admissions
2 representative's license in the prescribed manner and form.

3 (e) Limitation on authority of admissions representatives.--

4 No person holding an admissions representative's license shall
5 solicit prospective students to enroll in a private licensed
6 school or classes other than one he or she is licensed to
7 represent.

8 Section 7. Application for license.

9 (a) General rule.--Before any license is issued to a private
10 school, a verified application shall be made, in writing, to the
11 board on a form prepared and furnished by the department. The
12 application shall require a statement showing, where
13 appropriate:

14 (1) The title or name and address of the school or
15 classes together with the name of the owners and controlling
16 officers.

17 (2) The general and specific fields of instruction which
18 will be offered and the purposes of such instruction.

19 (3) The place or places where instruction will be given.

20 (4) A specific listing of the equipment and staff
21 available for instruction in each field, and for the proper
22 administration of correspondence courses of study and for
23 maintenance of an adequate correction service.

24 (5) The maximum enrollment to be accommodated on
25 equipment available in each field.

26 (6) The qualifications of instructors and supervisors in
27 each field.

28 (7) Financial resources available to equip and maintain
29 the school, classes or service.

30 (8) An agreement to abide by reasonable service and

1 business ethics prescribed by the board.

2 (9) For relicensure, statistical data on tuition rates,
3 job placement of graduates, percentage of students completing
4 programs of study and the level of State support for
5 students.

6 (10) Any additional information the board may deem
7 necessary to enable it to determine the adequacy of the
8 program of instruction, the business integrity and related
9 matters. An application must be complete for board
10 consideration.

11 (b) Surety bond.--Each private licensed or approved school
12 shall provide a surety bond to the Commonwealth equal to 10% of
13 the total tuitions charged during the previous year, but not
14 less than \$5,000 nor more than \$50,000. For new license
15 applicants, the surety bond amount shall be based on reasonable
16 estimates of anticipated tuitions. The board shall review each
17 license renewal application to assure that the surety bond level
18 is in compliance with the provisions of this subsection. The
19 surety bond shall be conditioned for the protection of the
20 contractual rights of students. Licensed private schools which
21 are eleemosynary in nature shall not have to provide a surety
22 bond in order to obtain licensure.

23 (c) Licensing rules.--The board shall prescribe rules and
24 regulations for the licensing of admissions representatives.

25 Section 8. Issuance and renewal of license.

26 (a) Issuance.--The department shall issue an original
27 license to the applicant if it finds that the application and
28 the school or class or admissions representative for which a
29 license is sought comply with the provisions of this act and
30 with the rules and regulations promulgated under this act.

(b) Duration and renewal.--

(1) Each original school license issued shall be effective from the date of issue until the first day of the month of original issue the following year and shall be renewed biennially thereafter on a form prepared and furnished by the department.

(2) Each original license of an admissions representative shall be renewed annually.

(c) License not transferable.--Each private licensed school shall have a separate license which shall not be transferable.

Section 9. Licenses restricted.

Any license issued to a private school shall restrict the private licensed school to the program, courses or classes specifically indicated in the application for a license. A private licensed school shall present a required supplementary application for approval of additional programs, courses or classes in which it desires to offer instruction during the effective period of its license.

Section 10. License fees.

(a) General rule.--The department shall collect a fee for licensing a private licensed school and admissions representatives in accordance with the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929. The fee for an original school license shall be \$500. The biennial school license renewal fee shall be \$800. The license fee for an admissions representative shall be \$50 and \$50 for an annual renewal.

(b) Disposition of fees.--License fees shall be placed in the General Fund.

(c) Fee not refundable.--If a license is denied, suspended

1 or revoked, the license fee shall not be refunded. If the board
2 determines that a license is not required, the license fee may
3 be refunded.

4 Section 11. Directory of licensed schools.

5 The department shall maintain a list of private licensed
6 schools which shall be available to the public.

7 Section 12. Requirements for licensure and operation.

8 (a) Inspection.--No private school may be granted a license
9 or permitted to continue to operate under a granted license
10 unless it permits the board and its representatives to inspect
11 the school or classes and makes available to the board, at any
12 time when requested to do so, full information pertaining to the
13 operation of the school.

14 (b) Display of license.--The school shall prominently
15 display on the premises the current approved license where it
16 may be inspected by students, visitors and designated officials
17 of the board.

18 (c) Advertising.--The advertising and representations made
19 by any person representing the school or classes do not
20 misrepresent or mislead, or are not fraudulent.

21 (d) Advertisements and representations.--

22 (1) A school shall not use any name, other than its
23 licensed name, for advertising or publicity purposes. A
24 school shall not advertise or imply that it is "supervised,"
25 "recommended," "endorsed," "accredited" or "approved" by the
26 secretary, the department or the board.

27 (2) A school shall not claim or imply that it is
28 endorsed by colleges, universities or other institutions of
29 higher learning.

30 (3) A school shall not claim or imply that it will

1 guarantee admission to any educational institution or
2 employment upon completion of its course or program.

3 (4) A school shall not by means of blind advertisements
4 or advertisements in the help wanted or other employment
5 columns of newspapers and other publications solicit
6 prospective students to enroll in the school.

7 (e) Condition of premises.--The premises, equipment and
8 conditions of the school or classes shall be adequate, safe and
9 sanitary in accordance with standards of the Commonwealth or any
10 of its political subdivisions that are applicable to the
11 premises and equipment.

12 Section 13. Enforcement, refusal, suspension or revocation of
13 license.

14 (a) General rule.--The board shall have the power to take
15 appropriate necessary action for the enforcement of its
16 policies, rules and regulations.

17 (b) Suspension and revocation of license.--The board shall
18 have the power to refuse to issue, suspend or revoke a license
19 if it finds that:

20 (1) The licensee has violated any of the provisions of
21 this act or any of the rules and regulations of the board.

22 (2) The applicant or licensee has knowingly presented to
23 the board, false, incomplete or misleading information
24 relating to licensure.

25 (3) The applicant or licensee has pleaded guilty,
26 entered a plea of nolo contendere or has been found guilty of
27 a crime constituting a misdemeanor or felony by a judge or
28 jury in any state or Federal court.

29 (4) The applicant or licensee has failed or refused to
30 permit the board or its representatives to inspect the school

1 or classes or has failed or refused to make available to the
2 board, at any time when requested to do so, full information
3 pertaining to any or all items of information contained in an
4 application for license or pertaining to the operation of the
5 private licensed school.

6 (5) The applicant has failed or refused to submit to the
7 board an application for license or renewal in the manner and
8 form prescribed.

9 (6) A private licensed school has failed or refused to
10 display on the school's premises the current approved license
11 where it may be inspected by students, visitors or designated
12 officials of the board.

13 (7) A licensed admissions representative has failed or
14 refused to display or produce his or her license when
15 requested to do so by prospective students or designated
16 officials of the board.

17 (8) The applicant or licensee has failed to provide or
18 maintain premises, equipment or conditions which are
19 adequate, safe and sanitary in accordance with such standards
20 of the Commonwealth or any of its political subdivisions that
21 are applicable to the premises and equipment.

22 (9) The licensee has perpetrated fraud or deceit in
23 written or oral advertising of the school or classes or in
24 presenting to prospective students written or oral
25 information relating to the school or classes, employment
26 opportunities or opportunities for enrollment in institutions
27 of higher learning.

28 (10) The licensee is employing admissions
29 representatives who have not been licensed by the board.

30 (11) The licensee has failed to provide and maintain

adequate premises, equipment, materials or supplies or has exceeded the maximum enrollment for which the school was licensed or program or course approved.

(12) The licensee has failed to provide and maintain adequate standards of instruction or an adequate and qualified administrative or instructional staff.

(13) The applicant or licensee is unable to provide and maintain financial resources in sufficient amount to equip and maintain adequately and effectively the school or classes.

(14) The licensee has moved the school into new premises or facilities without notifying the board and before receiving approval from the board.

(15) The licensee has offered training or instruction in programs or courses which have not been approved and authorized by the board.

(16) A licensed admissions representative has solicited prospective students to enroll in a school which has not been approved by the board or which is not listed on his or her license.

(17) There was a change in the ownership of the school without notification to and approval from the board.

(18) The school was operated or conducted under an ownership arrangement not approved by the board.

(19) The licensee has had the license of a school suspended or revoked in another state.

(c) Adjudicatory procedure.--The procedure to be followed in the refusal, suspension and revocation of licenses and in appeals taken from those actions shall be in accordance with Title 2 of the Pennsylvania Consolidated Statutes (relating to

1 administrative law and procedure).

2 (d) Reinstatement of license.--Unless directed to do so by
3 court order, the board shall not for a period of five years
4 following revocation, reinstate the license of a private
5 licensed school or admissions representative which has been
6 revoked. The school or representative shall be required to
7 reapply as a new licensee in accordance with the provisions of
8 this act.

9 Section 14. Promulgation of rules.

10 The board shall promulgate rules and regulations necessary to
11 carry out the purposes of this act. The rules and regulations of
12 the State Board of Private Business Schools, the State Board of
13 Private Correspondence Schools and the State Board of Private
14 Trade Schools in force on the effective date of this act, and
15 not countermanded by this act, shall remain in effect until
16 repealed or amended by the board, but not for a period of more
17 than one year.

18 Section 15. Penalties.

19 (a) Summary offense.--Any person who violates or fails to
20 comply with this act or a rule, regulation or standard
21 promulgated under this act commits a summary offense and upon
22 conviction shall be sentenced to pay a fine of not less than
23 \$300.

24 (b) Civil penalty.--In addition to any other penalty
25 provided in this act, the board may by a majority vote of its
26 statutorily authorized membership, levy a civil penalty of up to
27 \$1,000 on any licensee who violates any provision of this act or
28 any person who operates a private licensed school without being
29 properly licensed under this act. Prior to the collection of the
30 penalty the licensee or person shall have access to the hearing

1 procedure provided in Title 2 of the Pennsylvania Consolidated
2 Statutes (relating to administrative law and procedure).

3 Section 16. Existing licenses to remain in force.

4 Licenses issued by the State Board of Private Business
5 Schools, the State Board of Private Trade Schools and the State
6 Board of Private Correspondence Schools shall remain in force
7 for the period of the license. At the time of renewal of the
8 license, the State Board of Private Licensed Schools may
9 establish a staggered schedule for renewal.

10 Section 17. Transfer of personnel, etc.

11 Personnel, allocations, appropriations, equipment, files,
12 records, contracts, agreements, obligations and other materials
13 which are used, employed or expended by the boards hereby
14 abolished in connection with the powers, duties or functions
15 exercised under this act by the State Board of Private Licensed
16 Schools are hereby transferred to the State Board of Private
17 Licensed Schools with the same force and effect as if the
18 appropriations had been made to, as if said items had been the
19 property of, and as if the contracts, agreements and obligations
20 had been incurred or entered into by said State Board of Private
21 Licensed Schools.

22 Section 18. Repeals.

23 The following acts and parts of acts are repealed:

24 Sections 456, 457, 458, 606-A(2), (3) and (5) of the act of
25 April 9, 1929 (P.L.177, No.175), known as The Administrative
26 Code of 1929.

27 Act of May 2, 1945 (P.L.401, No.165), entitled, as amended,
28 "An act defining and providing for the licensing and regulation
29 of private trade schools and classes; conferring powers and
30 imposing duties on the State Board of Private Trade Schools; and

1 prescribing penalties."

2 Act of July 8, 1947 (P.L.1428, No.552), entitled "An act
3 defining and providing for the licensing and regulation of
4 private business schools and classes and agents thereof;
5 conferring powers and imposing duties upon the State Board of
6 Private Business Schools; and prescribing penalties."

7 Act of July 8, 1947 (P.L.1433, No.553), entitled, as amended,
8 "An act defining and providing for the licensing of private
9 correspondence schools and the registration of agents of such
10 schools; providing for contractual liability; conferring powers
11 and imposing duties on the State Board of Private Correspondence
12 Schools; and prescribing penalties."

13 Section 19. Effective date.

14 This act shall take effect January 1, 1985.