

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 919

Session of  
1977

INTRODUCED BY BERSON AND SCIRICA, APRIL 20, 1977

REFERRED TO COMMITTEE ON EDUCATION, APRIL 20, 1977

AN ACT

1 Amending Title 24 (Education) of the Pennsylvania Consolidated  
2 Statutes, adding provisions relating to incorporated  
3 educational institutions.

4 The General Assembly of the Commonwealth of Pennsylvania  
5 hereby enacts as follows:

6 Section 1. Title 24, act of November 25, 1970 (P.L.707,  
7 No.230), known as the Pennsylvania Consolidated Statutes, is  
8 amended by adding parts to read:

9 PART I

10 PRELIMINARY PROVISIONS

11 Chapter

12 1. General Provisions

13 CHAPTER 1

14 GENERAL PROVISIONS

15 Sec.

16 102. Definitions.

17 § 102. Definitions.

18 Subject to additional definitions contained in subsequent  
19 provisions of this title which are applicable to specific

1 provisions of this title, the following words and phrases when  
2 used in this title shall have, unless the context clearly  
3 indicates otherwise, the meanings given to them in this section:

4 "Certificate of authority." An instrument in writing issued  
5 by the department authorizing a person to engage in this  
6 Commonwealth in the business or occupation specified in such  
7 instrument.

8 "Department." The Department of Education of the  
9 Commonwealth.

10 "State board." The State Board of Education of the  
11 Commonwealth.

## 12 PART III

### 13 HIGHER EDUCATION

#### 14 Chapter

#### 15 65. Private Colleges and Universities

#### 16 CHAPTER 65

#### 17 PRIVATE COLLEGES AND UNIVERSITIES

18 Sec.

19 6501. Applicability of chapter.

20 6502. State board to prescribe standards.

21 6503. Certification of institutions.

22 6504. Fundamental changes.

23 6505. Power to confer degrees.

24 6506. Visitation of institutions and revocation of authority.

25 6507. Institution names to be approved by department.

26 6508. Restraining use of term "college," "university" or  
27 "seminary."

28 6509. Penalty for violation of chapter.

29 § 6501. Applicability of chapter.

30 (a) General rule.--This chapter shall apply to, and the word

1 "institution" in this chapter shall mean, any person which shall  
2 apply to itself, either as part of its name or in any other  
3 manner, the designation of "college," "university" or "seminary"  
4 in such a way as to give the impression that it is an  
5 educational institution conforming to the standards and  
6 qualifications prescribed by the State board.

7 (b) Exceptions.--Notwithstanding subsection (a), this  
8 chapter shall not apply to any:

9 (1) Incorporated or unincorporated theological seminary  
10 without power to confer degrees.

11 (2) Public instrumentality subject to the policy  
12 supervision and direction of the State board.

13 § 6502. State board to prescribe standards.

14 (a) General rule.--The State board shall prescribe standards  
15 and qualifications for all institutions entitled to apply to  
16 themselves the designation of "college," "university" or  
17 "seminary."

18 (b) Minimum standards.--No institution shall be authorized  
19 to confer degrees in the arts, pure and applied science,  
20 philosophy, literature, law, medicine, and theology, or any of  
21 them, unless it has:

22 (1) A minimum protective endowment of at least \$500,000,  
23 beyond all indebtedness and assets invested in buildings and  
24 apparatus for the exclusive purpose of promoting instruction,  
25 except that in the case of tax supported institutions, or  
26 those maintained by religious or other organizations,  
27 financial support or contributed services equivalent in value  
28 to the endowment herein specified may be substituted for such  
29 endowment.

30 (2) A faculty consisting of at least eight regular

1 professors who devote all their time to the instruction of  
2 its higher education classes, unless the institution is  
3 devoted to a specific subject in the arts, archaeology,  
4 literature, or science (medical and law schools excepted), in  
5 which case the faculty shall consist of at least three  
6 regular professors who devote all their time to the  
7 instruction in the special branch for which the institution  
8 is established, and two or more instructors or fellows in the  
9 particular branch, who shall be provided to assist in the  
10 instruction to be given the students for the promotion of  
11 original investigation and in the development and growth of  
12 the special branch of science to which such institution may  
13 be devoted.

14 § 6503. Certification of institutions.

15 (a) General rule.--No person shall apply to itself, either  
16 as part of its name or in any other manner, the designation of  
17 "college," "university" or "seminary" in such a way as to give  
18 the impression that it is an educational institution conforming  
19 to the standards and qualifications prescribed by the State  
20 board unless it shall have received from the department a  
21 certificate of authority authorizing the institution to use such  
22 designation, and, if the institution is authorized to confer  
23 degrees, specifying the degrees which the institution is  
24 authorized to confer.

25 (b) Exemptions.--The provisions of subsection (a) shall not  
26 apply to:

27 (1) Any nonprofit corporation incorporated with the  
28 approval of the department or the former Department of Public  
29 Instruction under the former provisions of sections 211 and  
30 312 of the act of May 5, 1933 (P.L.289, No.105), known as the

1 "Nonprofit Corporation Law" or otherwise incorporated with  
2 the power to confer degrees under corresponding provisions of  
3 prior law. For the purposes of this chapter such a  
4 corporation shall be deemed to be a holder of a certificate  
5 of authority issued under this section authorizing the  
6 conferring of those degrees which the institution was  
7 authorized by law to confer immediately prior to the  
8 effective date of this chapter.

9 (2) Any corporation incorporated prior to September 1,  
10 1937, the corporate name of which, or any unincorporated  
11 person then conducting any educational institution, the trade  
12 or fictitious name of which, included the designation  
13 "college" or "university."

14 (c) Form of application.--Every application for a  
15 certificate of authority under this section shall be made to the  
16 department in writing and shall be in such form and contain such  
17 information as the regulations of the department may require.

18 (d) Standards for issuance of certificate.--A certificate of  
19 authority shall be issued by order of the department only if and  
20 when the department shall find and determine:

21 (1) that the application complies with the provisions of  
22 this chapter, the regulations of the department thereunder,  
23 and the standards and qualifications for institutions  
24 prescribed by the State board thereunder;

25 (2) that the courses of instruction, the standards of  
26 admission to the institution and the composition of the  
27 faculty appear to be sufficient and to conform to the  
28 requirements of this chapter; and

29 (3) that the educational needs of the particular  
30 locality in which the institution is to be situated and of

1 the Commonwealth at large are likely to be furthered by the  
2 granting of the application.

3 (e) Procedure.--For the purpose of enabling the department  
4 to make the finding or determination required by subsection (d),  
5 the department shall, by publication of notice in the  
6 Pennsylvania Bulletin, afford reasonable opportunity for  
7 hearing, which shall be public, and, before or after any such  
8 hearing, it may make such inquiries, audits and investigations,  
9 and may require the submission of such supplemental studies and  
10 information, as it may deem necessary or proper to enable it to  
11 reach a finding or determination. The department, in issuing a  
12 certificate of authority, may impose such conditions as it may  
13 deem to be just and reasonable. In every case the department  
14 shall make a finding or determination in writing, stating  
15 whether or not the application has been approved, and, if it has  
16 been approved in part only, specifying the part which has been  
17 approved and the part which has been denied. Any holder of a  
18 certificate of authority, exercising the authority conferred  
19 thereby, shall be deemed to have waived any and all objections  
20 to the terms and conditions of such certificate.

21 (f) Judicial review.--Orders of the department upon an  
22 application for a certificate of authority under this section  
23 shall be subject to judicial review in the manner and within the  
24 time provided by law.

25 § 6504. Fundamental changes.

26 (a) General rule.--It shall be unlawful for any institution  
27 holding a certificate of authority under this chapter  
28 authorizing the conferring of degrees to amend its articles of  
29 incorporation, to merge or consolidate with any other  
30 corporation, or to divide or convert without first securing the

1 approval of the department with respect thereto.

2 (b) Form of application.--Every application for approval of  
3 a fundamental change under this section shall be made to the  
4 department in writing and shall be in such form and shall  
5 contain such information as the department shall require.

6 (c) Standards for approval.--The amendment of articles,  
7 merger, consolidation, division or conversion shall be approved  
8 by order of the department only if and when the department finds  
9 and determines that such fundamental change conforms to law,  
10 including the regulations of the department under this chapter,  
11 and the standards and qualifications for institutions prescribed  
12 by the State board thereunder, and will result in an institution  
13 which, under the then current provisions of this chapter and  
14 standards and qualifications for institutions of the State board  
15 thereunder, would be eligible to receive a certificate of  
16 authority as an institution.

17 (d) Procedure.--The proceedings before the department shall  
18 be subject to the provisions of section 6503(e) (relating to  
19 procedure).

20 (e) Judicial review.--Orders of the department upon an  
21 application for approval under this section shall be subject to  
22 judicial review in the manner and within the time provided by  
23 law.

24 § 6505. Power to confer degrees.

25 A corporation not-for-profit as defined in Title 15 (relating  
26 to corporations and unincorporated associations) which shall  
27 have received a certificate of authority under this chapter  
28 authorizing the conferring of degrees, shall have power to  
29 confer baccalaureate degrees in the arts, science, philosophy,  
30 or literature, but only upon students who have completed a

1 college or university course normally covering four years, or  
2 such other degrees at the associate, baccalaureate or advanced  
3 level as may be specified in the certificate of authority. The  
4 qualifications of admission to these four-year courses, or to  
5 advanced classes in these courses, shall be not less than four  
6 years of academic or high school preparation, or its equivalent,  
7 and shall be subject to the standards promulgated by the State  
8 board.

9 § 6506. Visitation of institutions and revocation of authority.

10 (a) General rule.--Any institution holding a certificate of  
11 authority under this chapter authorizing the conferring of  
12 degrees shall be subject to visitation and inspection by  
13 representatives of the department. If any such institution shall  
14 fail to maintain the standards and qualifications prescribed by  
15 the State board under this chapter the department may, after  
16 notice to the institution and opportunity for hearing, suspend  
17 or revoke the certificate of authority of the institution.

18 (b) Judicial review.--Orders of the department in any  
19 proceeding relating to the suspension or revocation of a  
20 certificate of authority of an institution under this section  
21 shall be subject to judicial review in the manner and within the  
22 time prescribed by law.

23 § 6507. Institution names to be approved by department.

24 The Department of State and the prothonotaries shall not  
25 approve any corporate name or register any assumed or fictitious  
26 or other name including the words "college," "university" or  
27 "seminary" used in such a way as to give the impression that the  
28 proprietor of such name is an educational institution conforming  
29 to the standards and qualifications prescribed by the State  
30 board, unless the application for incorporation, qualification



1 or change of name or the application for registration is  
2 accompanied by a certificate from the department that the  
3 corporation or proposed corporation or the person or persons  
4 applying for registration are entitled to use such designation.

5 § 6508. Restraining use of term "college," "university" or  
6 "seminary."

7 Upon the application of the Department of Justice the  
8 Commonwealth Court or any court of common pleas shall, in a  
9 proper case where a violation of this chapter is shown, grant an  
10 injunction restraining the use of the designation of "college,"  
11 "university" or "seminary."

12 § 6509. Penalty for violation of chapter.

13 A person who violates any of the provisions of this chapter  
14 shall be guilty of a summary offense.

15 Section 2. The following acts and parts of acts are hereby  
16 repealed absolutely:

17 Act of May 5, 1899 (P.L.253, No.148), entitled "An act to  
18 allow Medical Colleges of the Commonwealth of Pennsylvania to  
19 confer diplomas in public health."

20 Act of May 5, 1933 (P.L.289, No.105), known as the "Nonprofit  
21 Corporation Law."

22 Act of May 7, 1937 (P.L.585, No.150), entitled, as amended  
23 "An act prohibiting the use of the designation of 'college' by  
24 any institution not conforming to the standards of a college  
25 prescribed by the State Board of Education; and providing for  
26 injunctions, and penalties."

27 Sections 3 and 4, act of November 15, 1972 (P.L.1063,  
28 No.271), entitled "An act amending the act of November 25, 1970  
29 (P.L.707, No.230), entitled 'An act codifying and compiling a  
30 part of the law of the Commonwealth,' adding provisions relating

1 to burial grounds, corporations, including corporations not-for-  
2 profit, educational institutions, private police, certain  
3 charitable or eleemosynary institutions, certain nonprofit  
4 insurers, service of process on certain nonresident persons,  
5 names, prescribing penalties and making repeals."

6 Section 3. This act shall take effect in 60 days.

1 SOURCE NOTES FOR TITLE 24  
2 (Prepared by Pennsylvania Bar Association)

3 24 Pa.C.S. § 6501: Derived from act of May 5, 1933 (P.L.289,  
4 No.105), § 211 (15 P.S. § 7211) and act of May 7, 1937 (P.L.585,  
5 No.150), § 2 (24 P.S. § 2422).

6 24 Pa.C.S. § 6502: Substantially a reenactment of act of May  
7 5, 1933 (P.L.289, No.105), § 312A (15 P.S. § 7312A) and act of  
8 May 7, 1937 (P.L.585, No.150), § 1 (24 P.S. § 2421).

9 24 Pa.C.S. § 6503: Derived from act of May 5, 1899 (P.L.253,  
10 No.148) (24 P.S. §§ 2491-92), act of May 5, 1933 (P.L.289,  
11 No.105), §§ 211, 312 and 902(4) (15 P.S. §§ 7211, 7312 and  
12 7902(4)), act of May 7, 1937 (P.L.585, No.150), § 2 (24 P.S. §  
13 2422), and act of November 15, 1972 (P.L.1063, No.271), § 3 (24  
14 P.S. § 2426).

15 24 Pa.C.S. § 6504: Derived from act of November 15, 1972  
16 (P.L.1063, No.271), § 4 (24 P.S. § 2427).

17 24 Pa.C.S. § 6505: Substantially a reenactment of act of May  
18 5, 1899 (P.L.253, No.148) (24 P.S. §§ 2491-92) and act of May 5,  
19 1933 (P.L.289, No.105), § 312B (15 P.S. § 7312B).

20 24 Pa.C.S. § 6506: Derived from act of May 5, 1933 (P.L.289,  
21 No.105) § 312C (15 P.S. § 7312C).

22 24 Pa.C.S. § 6507: Derived from act of May 7, 1937 (P.L.585,  
23 No.150), § 3 (24 P.S. § 2423).

24 24 Pa.C.S. § 6508: Derived from act of May 7, 1937 (P.L.585,  
25 No.150), § 4 (24 P.S. 2424).

26 24 Pa.C.S. § 6509: Derived from act of May 7, 1937 (P.L.585,  
27 No.150), § 5 (24 P.S. § 2425).