



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

SENATE BILL NO. 456

PRINTERS NO. 1266

PRIME SPONSOR: Bartolotta

COST / (SAVINGS)

FUND	FY 2019/20	FY 2020/21
General Fund	\$0	See Fiscal Impact

SUMMARY:

Senate Bill 456 amends the Private Licensed Schools Act concerning multibranch training schools and other issues. Effective dates vary by provision.

ANALYSIS:

Senate Bill 456 amends the Private Licensed Schools Act to effectuate several changes. The definitions are amended by deleting the definition for adequate correction service, adding definitions for branch facility, distance education, and teach-out, and amending definitions for multi-branch training school and private licensed school. The changes to the definition of multibranch training school remove the requirement that a branch facility be located within the same county as the licensed school.

The multibranch training school fee is amended to provide that such schools must pay the same fees as private licensed schools, and stipulates that no additional license fee or bond, excluding surety bond and board-approved private surety fund, will be required.

The legislation also provides that a licensed school will receive approval from the State Board of Private Licensed Schools to open a branch facility only if the school has been operational for two years prior to requesting approval for the branch facility and is in good standing with the board. A licensed school may only operate a branch facility in a county contiguous to the licensed school or within less than a 60 mile radius of the licensed school.

The powers and duties of the State Board of Private Licensed Schools are amended by deleting the current language regarding the disposition of student records and providing the authority for the Board to enter into an agreement with a third party to establish a centralized repository of student records for all private licensed schools. The Board or the authorized third party may impose reasonable fees on private licensed schools to establish and maintain the repository. The Board may overturn a fee by majority vote if the fee is determined to be unreasonable.

Senate Bill 456 also places requirements on private licensed schools facing closure. The schools must notify the Board at least 30 days in advance of the closure. These schools must provide a

teach-out plan for their students and follow provisions concerning the disposition of student academic records. Closing schools must also provide the Board with contact information for all current students and contact information for a responsible school official for up to one year following the date of closure.

This legislation also permits a private licensed school to offer institutional grants to students without board approval.

Senate Bill 456 increases the civil penalty from \$1,000 to \$2,500 on any licensee who violates the act and stipulates that the penalty can only be assessed once per violation. It also allows the Board to revise this penalty amount by regulation, provided any increase is reasonable and required to deter violations.

FISCAL IMPACT:

Enactment of this legislation will have no adverse impact on Commonwealth funds. The provision which allows the State Board of Private Licensed Schools to enter into an agreement with a third party to establish a centralized repository of student records for all private licensed schools also allows for the imposition of a fee on the schools to cover the costs. Therefore, any additional expenses should be covered by this revenue.

PREPARED BY: Jeff Miller
House Appropriations Committee (R)

DATE: October 30, 2019

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.