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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 456 Session of 2019

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INTRODUCED BY BARTOLOTTA, BREWSTER, FONTANA, VOGEL AND REGAN,  
MARCH 19, 2019

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AS REPORTED FROM COMMITTEE ON EDUCATION, HOUSE OF  
REPRESENTATIVES, AS AMENDED, OCTOBER 21, 2019

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AN ACT

1 Amending the act of December 15, 1986 (P.L.1585, No.174),  
2 entitled "An act defining and providing for the licensing and  
3 regulation of private schools; establishing the State Board  
4 of Private Licensed Schools; imposing penalties; and making  
5 repeals," further providing for definitions, for State Board  
6 of Private Licensed Schools, for powers and duties of board,  
7 for application for license, for license fees and for  
8 requirements for licensure and operation; providing for  
9 multibranch training schools and for institutional grants  
10 authority; further providing for promulgation of rules; and  
11 repealing provisions relating to existing licenses to remain  
12 in force and transfer of personnel, etc.

13 The General Assembly of the Commonwealth of Pennsylvania  
14 hereby enacts as follows:

15 Section 1. The definitions of "adequate correction service,"  
16 "multibranch training school" and "private licensed school" in  
17 section 2 of the act of December 15, 1986 (P.L.1585, No.174),  
18 known as the Private Licensed Schools Act, are amended and the  
19 section is amended by adding definitions to read:

20 Section 2. Definitions.

21 The following words and phrases when used in this act shall  
22 have the meanings given to them in this section unless the

1 context clearly indicates otherwise:

2 ["Adequate correction service." The proper receipt and  
3 prompt correction of all home-study tests and materials, with  
4 appropriate written comments and suggestions for correction of  
5 errors and apparent weaknesses, and the prompt return of the  
6 corrected materials to students concerned.]

7 \* \* \*

8 "Branch facility." A facility of a private licensed school  
9 when all of the following occur:

10 (1) The facility has the same ownership, management or  
11 control as that of the private licensed school.

12 (2) The curriculum offered at the facility is  
13 substantially the same as the curriculum offered at the  
14 private licensed school.

15 (3) The number of tuition-paid students enrolled at each  
16 facility does not exceed 50 per class.

17 (4) The facility is administratively an integral part of  
18 the private licensed school.

19 \* \* \*

20 "Distance education." Instruction offered by any means where  
21 the student and faculty member are in separate physical  
22 locations so that in-person communication is absent and  
23 communication is accomplished instead by one or more  
24 technological media. The term includes, but is not limited to,  
25 real-time or delayed interaction using voice, video, data or  
26 text, including instruction provided online, via correspondence  
27 or via interactive video. Instruction provided via synchronous  
28 video from an institution in this Commonwealth to additional  
29 campus sites of the same institution in this Commonwealth is not  
30 considered distance education. The term does not include

1 independent study or instruction which is not instructor led.

2 \* \* \*

3 "Multibranch training school." A [business corporation]  
4 school licensed to do business in Pennsylvania having [more  
5 than] at least one branch facility at which instruction is  
6 offered to the general public for a fee. [A branch facility  
7 shall mean a facility of a licensed school when all of the  
8 following occur:

9 (1) The facility has the same ownership, management or  
10 control as that of the licensed school.

11 (2) The curriculum offered at such facility is  
12 substantially the same as the curriculum offered at the  
13 licensed school.

14 (3) The number of tuition-paid students enrolled at each  
15 such facility does not exceed 50 per class.

16 (4) The facility is located within the same county and  
17 is administratively an integral part of the licensed school.  
18 No additional license fees or bond shall be required of any  
19 such facility, provided that the physical plant of each such  
20 facility is approved by the board.]

21 "Private licensed school." A school or classes operated for  
22 profit or tuition that provides resident instruction to prepare  
23 an individual to pursue an occupation in the skilled trades,  
24 industry or business, or systematic instruction by  
25 [correspondence or by telecommunication] distance education in a  
26 field of study. It shall not include a private academic school  
27 as defined in [the act of June 25, 1947 (P.L.951, No.401),  
28 entitled, as amended, "An act defining and providing for the  
29 licensing and regulation of private academic schools; conferring  
30 powers and imposing duties on the State Board of Private

1 Academic Schools; and imposing penalties"] section 2 of the act  
2 of January 28, 1988 (P.L.24, No.11), known as the Private  
3 Academic Schools Act; a school maintained or a class conducted  
4 for training for the vocation of homemaking or to give training  
5 in public and other service occupations; a barber school; a  
6 school of cosmetology; a flight school; a private tutorial  
7 school, including, but not limited to, a school of music or  
8 dance; an institution granting a degree other than those  
9 approved to award the degree of associate in specialized  
10 business or associate in specialized technology; a school or  
11 class conducted by an employer or trade union for employees or  
12 union members where no fee or tuition is charged; a school owned  
13 and operated by a bona fide religious institution whose only  
14 purpose is the providing of religious instruction; a school  
15 conducted by the Commonwealth or a political subdivision  
16 thereof; or a school which is operated by a hospital licensed  
17 under the act of July 19, 1979 (P.L.130, No.48), known as the  
18 Health Care Facilities Act, and which is accredited by a  
19 regional or national accreditation agency.

20 \* \* \*

21 "Teach-out." The continuation of instruction to students to  
22 complete the program or course in which the students are  
23 enrolled when the school's license has expired, been revoked or  
24 a school has ceased enrollment.

25 Section 2. Section 3(a) of the act is amended to read:

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

27 (a) Establishment of the board.--There is hereby created  
28 within the department a departmental administrative board to be  
29 known as the State Board of Private Licensed Schools. The board  
30 shall consist of 15 members, 14 of whom shall be appointed by

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

23 \* \* \*

24 Section 3. Section 4(b) and (d) of the act are amended and  
25 the section is amended by adding a subsection to read:

26 Section 4. Powers and duties of board.

27 \* \* \*

28 [(b) Disposition of student records.--The board shall  
29 require every applicant for initial or renewal licensure to  
30 provide a written statement describing arrangements for

1 disposition of student records in the event of closure. It shall  
2 be the duty of the board and the department to assist in the  
3 execution of the arrangements when necessary. Priority shall be  
4 given to plans for retention of the records with existing  
5 private licensed schools in the same geographical area.]

6 (b.1) Repository of student records.--The following apply:

7 (1) The board may enter into an agreement with a third  
8 party to establish a centralized repository of student  
9 records for all private licensed schools. If the board enters  
10 into an agreement with a third party under this paragraph, a  
11 private licensed school shall work in collaboration with the  
12 board and the third party to provide the private licensed  
13 school's student records for the centralized repository,  
14 including student records that may have been previously  
15 disclosed to the board, the third party or another private  
16 licensed school. The board may establish an annual timeline  
17 for the private licensed school to provide student records  
18 for the centralized repository.

19 (2) The board or third party authorized by the board may  
20 use current information technology systems and other means to  
21 provide the necessary security and privacy for the  
22 centralized repository of student records.

23 (3) The board or a third party authorized by the board  
24 may impose reasonable fees to establish and maintain the  
25 centralized repository of student records. The board may  
26 overturn a fee imposed by a third party under this paragraph  
27 by a majority vote if the board deems the fee to be  
28 unreasonable.

29 (4) A third party centralized repository shall be  
30 required to submit to the board a plan of succession to

1 protect and provide service for student records in the event  
2 the centralized repository ceases operation.

3 (5) The third party centralized repository shall  
4 maintain the records for 50 years from the date of graduation  
5 or withdrawal in accordance with the Family Educational  
6 Rights and Privacy Act of 1974 (Public Law 90-247, 20 U.S.C.  
7 § 1232g).

8 (6) A records repository agreement submitted with an  
9 application for licensure or renewal shall remain in effect  
10 until the private licensed school fully participates in the  
11 centralized repository.

12 (7) Subsection (b) shall apply until the board has:

13 (i) entered into a third-party agreement as  
14 prescribed in paragraph (1);

15 (ii) the repository is functioning; and

16 (iii) submitted to the Legislative Reference Bureau  
17 for publication as a notice in the Pennsylvania Bulletin  
18 the date the centralized repository is accepting student  
19 records.

20 \* \* \*

21 (d) Statistical report.--The board shall submit annually to  
22 the Education Committees of the Senate and House of  
23 Representatives a report containing statistical data on tuition  
24 rates, job placement of graduates[, ] and percentage of students  
25 completing programs of study [and the level of State support for  
26 students]. Private licensed or registered schools shall submit  
27 this information to the department by September 30 of each year  
28 for the preceding academic year ending June 30.

29 \* \* \*

30 Section 4. Sections 7(a)(3) and (4) and 10(b) of the act are

1 amended to read:

2 Section 7. Application for license.

3 (a) General rule.--Before any license is issued to a private  
4 school, a verified application shall be made, in writing, to the  
5 board on a form prepared and furnished by the department. The  
6 application shall require a statement showing:

7 \* \* \*

8 (3) The place or places where instruction will be given  
9 or [correction services provided by correspondence schools]  
10 the location from which instruction by distance education  
11 will originate.

12 (4) A specific listing of the equipment and staff  
13 available for instruction in each program, and for the proper  
14 administration of [correspondence courses of study and for  
15 maintenance of an adequate correction service] distance  
16 education courses.

17 \* \* \*

18 Section 10. License fees.

19 \* \* \*

20 (b) Multibranch training school and branch facility fee.--A  
21 multibranch training school and a branch facility shall pay the  
22 same fees set forth in subsection (a) [ , except that such school  
23 shall be required to pay only one fee for any and all branch  
24 training schools located in one county]. No additional license  
25 fees or bond, excluding surety bond and board-approved private  
26 surety fund, shall be required of a multibranch training school  
27 and branch facility.

28 \* \* \*

29 Section 5. Section 12 of the act is amended by adding a  
30 subsection to read:

1 Section 12. Requirements for licensure and operation.

2 \* \* \*

3 (f) School closure.--A school shall notify the board at  
4 least 30 calendar days in advance of a school closure. A license  
5 or registration shall automatically terminate when the school  
6 closes. If a school is planning to close or if the school faces  
7 a situation that could result in closure, the school must  
8 provide the board with a teach-out plan, a list of all current  
9 students with contact information and copies of current student  
10 transcripts for students who are currently enrolled. A school  
11 that is closing is responsible for ensuring completion by all  
12 current students or placement of all current students in an  
13 appropriate teach-out or transfer program, ensuring that all  
14 student academic records are securely placed in the repository  
15 of student records provided for in section 4(b.1) or with  
16 another approved repository within one week of the date of  
17 closure and providing contact information for a responsible  
18 school official for up to one year following the date of  
19 closure.

20 Section 6. The act is amended by adding sections to read:  
21 Section 13.1. Multibranch training schools.

22 (a) Board approval.--A licensed school shall receive  
23 approval from the board prior to opening a branch facility  
24 within this Commonwealth. To receive approval under this  
25 subsection, the licensed school must:

26 (1) Have been operational for two years prior to  
27 requesting approval.

28 (2) Be in good standing with the board.

29 (b) Geographical limitations.--A licensed school may only  
30 operate a branch facility in a county contiguous to the licensed

1 school or within less than a 60-mile radius of the licensed  
2 school.

3 Section 13.2. Institutional grants authority.

4 A licensed school under this act may offer institutional  
5 grants to students of any amount without board approval.

6 ~~Section 7. Section 14 of the act is amended to read:~~ <--

7 SECTION 7. SECTIONS 14 AND 15(B) OF THE ACT ARE AMENDED TO <--  
8 READ:

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  
12 of the State Board of Private Business Schools, the State Board  
13 of 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 \* \* \*

20 (B) CIVIL PENALTY.--[IN]

21 (1) SUBJECT TO PARAGRAPH (2), IN ADDITION TO ANY OTHER  
22 PENALTY PROVIDED IN THIS ACT, THE BOARD MAY, BY A MAJORITY  
23 VOTE OF ITS STATUTORILY AUTHORIZED MEMBERSHIP, LEVY A CIVIL  
24 PENALTY OF UP TO [\$1,000] \$2,500 ON ANY LICENSEE WHO VIOLATES  
25 ANY PROVISION OF THIS ACT OR ANY PERSON WHO OPERATES A  
26 PRIVATE LICENSED SCHOOL WITHOUT BEING PROPERLY LICENSED UNDER  
27 THIS ACT. A CIVIL PENALTY MAY ONLY BE ASSESSED ONCE PER  
28 VIOLATION. PRIOR TO THE COLLECTION OF THE PENALTY, THE  
29 LICENSEE OR PERSON SHALL HAVE ACCESS TO THE HEARING PROCEDURE  
30 PROVIDED IN TITLE 2 OF THE PENNSYLVANIA CONSOLIDATED STATUTES

1 (RELATING TO ADMINISTRATIVE LAW AND PROCEDURE) .

2 (2) THE BOARD MAY REVISE THE AMOUNT OF THE CIVIL PENALTY  
3 IMPOSED UNDER PARAGRAPH (1) BY REGULATION. ANY INCREASE TO  
4 THE CIVIL PENALTY UNDER THIS PARAGRAPH SHALL BE REASONABLE  
5 AND REQUIRED TO DETER VIOLATIONS OF THIS ACT.

6 Section 8. Sections 16 and 17 of the act are repealed:

7 [Section 16. Existing licenses to remain in force.

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

14 Section 17. Transfer of personnel, etc.

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

26 Section 9. This act shall take effect as follows:

27 (1) The repeal of section 4(b) of the act shall take  
28 effect on the date specified in the notice published under  
29 section 4(b.1)(7)(iii) of the act.

30 (2) The remainder of this act shall take effect in 60

1 days.