



A SUMMARY OF HOUSE BILL 4623 AS INTRODUCED 3-21-91

Currently, under Public Act 148 of 1943, the act regulating proprietary schools, a proprietary school cannot receive a license until it has operated under a temporary permit in a satisfactory manner and until the State Board of Education has approved its methods of advertising and instruction, its personnel, and its operating practices. The bill would amend the act to require that, in addition, the school provide, and the board approve the following practices:

- 1) The school would have to provide prospective students with information that would enable them to assess the school. The information would be provided prior to enrollment, and would include the names and telephone numbers of current and former students; the names and addresses of employers who have hired students or graduates of the schools, and the name of a contact person for each employer; information on the number of students who have enrolled at the school, the number who completed their courses, placement rates, and earnings of alumni; refund policies for students who drop out; reentry policies; a copy of an enrollment contract and a school catalogue; information on financial aid programs, and which agencies license and accredit the school; and other information required by the Department of Education.
- 2) The school would be required to offer each student the opportunity for an assessment of the student's ability to benefit from its programs. The assessment could be done by the school or by a public or private agency, and would be approved by the Department of Education. A reasonable fee could be charged.

Under the bill, the board could revoke a temporary permit of a person who did not comply with the law or the rulings of the board. The bill would provide the department with alternative actions that could be taken if the board revoked a school's license or temporary permit. The department could: a) Order the person to cease operating the school immediately and to pay refunds to the students; and b) Notify student loan guarantee agencies, federal and state student financial aid programs, and accrediting agencies that the school's license or permit had been revoked and that the school had been closed.

Under the bill, a school whose temporary license or permit had been revoked could appeal the decision, pursuant to the Administrative Procedures Act. If the department had ordered the closing of a school, the order would be stayed until the completion of

administrative remedies. If the order of closure were not rescinded at the end of the administrative hearing process, the school would immediately cease operating, unless a court order provided otherwise.

MCL 395.101 et al.