

HOUSE BILL No. 4623

March 21, 1991, Introduced by Reps. Saunders, Kosteva and DeMars and referred to the Committee on Colleges and Universities.

A bill to amend sections 1 and 2 of Act No. 148 of the Public Acts of 1943, entitled as amended

"An act to provide for the regulation and licensing of proprietary schools in the state; to require surety; to provide for collection and disposition of fees; and to prescribe penalties for the violation of this act,"

as amended by Act No. 60 of the Public Acts of 1983, being sections 395.101 and 395.102 of the Michigan Compiled Laws; and to add sections 2c and 2d.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 1 and 2 of Act No. 148 of the Public
2 Acts of 1943, as amended by Act No. 60 of the Public Acts of
3 1983, being sections 395.101 and 395.102 of the Michigan Compiled
4 Laws, are amended and sections 2c and 2d are added to read as
5 follows:

1 Sec. 1. (1) A PERSON SHALL NOT OPERATE A proprietary school
2 ~~shall secure from the board a~~ IN THIS STATE UNLESS THE PERSON
3 HAS A VALID license issued BY AND in the form prescribed by the
4 board and in accordance with this act.

5 (2) A license issued under this act shall be valid for not
6 more than 1 year. If the applicant continues to comply with this
7 act and the rules promulgated under this act, the license may be
8 renewed.

9 (3) The BOARD MAY REVOKE A license ~~may be revoked~~ at any
10 time if, in the judgment of the board, the person to whom the
11 license is issued is not complying with ~~provisions of~~ the law
12 or the rulings of the board.

13 (4) ~~A person shall not be granted~~ THE BOARD SHALL NOT
14 ISSUE a temporary permit or a license TO A PERSON to operate a
15 proprietary school as part of, or in conjunction with, another
16 business or commercial enterprise ~~which~~ THAT utilizes or sells
17 goods or services produced by students.

18 Sec. 2. (1) ~~A~~ THE BOARD SHALL NOT ISSUE A license ~~shall~~
19 ~~not be issued~~ until the applicant has operated under a temporary
20 permit in a manner satisfactory to the board and until the board
21 has approved the method and content of the advertising, the stan-
22 dards and the methods of instruction, the personnel, ~~and~~ the
23 operating and instructional practices of the school, AND THE
24 PRACTICES REQUIRED BY SECTION 2C.

25 (2) ~~A~~ THE BOARD MAY ISSUE A temporary permit to operate a
26 proprietary school ~~may be granted~~ on the basis of a written
27 proposal submitted in the manner and form prescribed by the

1 board. The proposal shall include plans for facilities,
2 instructional procedures, personnel, business standards, and
3 operating and instructional practices ~~which~~ THAT comply with
4 this act and with rules promulgated under this act. A temporary
5 permit issued under this act shall be valid for not more than 1
6 year. If the applicant continues to comply with this act and the
7 rules promulgated under this act, a temporary permit may be
8 renewed.

9 (3) THE BOARD MAY REVOKE A TEMPORARY PERMIT AT ANY TIME IF,
10 IN THE JUDGMENT OF THE BOARD, THE PERSON TO WHOM THE TEMPORARY
11 PERMIT IS ISSUED IS NOT COMPLYING WITH THE LAW OR THE RULINGS OF
12 THE BOARD.

13 SEC. 2C. (1) A PROPRIETARY SCHOOL SHALL PROVIDE TO A PRO-
14 SPECTIVE STUDENT, BEFORE ENROLLMENT, INFORMATION THAT ENABLES THE
15 STUDENT TO ASSESS THE SCHOOL. THE INFORMATION SHALL BE WRITTEN
16 IN PLAIN ENGLISH AND SHALL INCLUDE, AT A MINIMUM, ALL OF THE
17 FOLLOWING:

18 (A) NAMES AND TELEPHONE NUMBERS OF CURRENT AND FORMER STU-
19 DENTS WHO MAY BE CONTACTED FOR INFORMATION ABOUT THE SCHOOL.

20 (B) NAMES AND ADDRESSES OF EMPLOYERS WHO HAVE HIRED STUDENTS
21 OR GRADUATES OF THE SCHOOL, AND THE NAME OF A CONTACT PERSON FOR
22 EACH EMPLOYER WHO IS WILLING TO TALK TO PROSPECTIVE STUDENTS.

23 (C) INFORMATION ON THE NUMBER OF STUDENTS WHO ENROLLED AT
24 THE SCHOOL, THE NUMBER OF STUDENTS WHO COMPLETED THEIR COURSE OF
25 STUDY, PLACEMENT RATES, AND EARNINGS OF ALUMNI.

26 (D) REFUND POLICIES FOR STUDENTS WHO DROP OUT OF THE
27 PROGRAM.

1 (E) REENTRY POLICIES FOR STUDENTS WHO HAVE TO LEAVE SCHOOL
2 BECAUSE OF PROLONGED ILLNESS, PREGNANCY, OR FAMILY PROBLEMS.

3 (F) A COPY OF THE ENROLLMENT CONTRACT AND A SCHOOL CATALOGUE
4 THAT CAN BE TAKEN HOME AND REVIEWED BEFORE ENROLLMENT.

5 (G) INFORMATION ON FINANCIAL AID PROGRAMS AND WHAT AGENCIES
6 LICENSE AND ACCREDIT THE SCHOOL.

7 (H) OTHER INFORMATION REQUIRED BY THE DEPARTMENT OF
8 EDUCATION.

9 (2) A PROPRIETARY SCHOOL SHALL OFFER TO EACH STUDENT THE
10 OPPORTUNITY FOR AN ASSESSMENT OF THE STUDENT'S ABILITY TO BENEFIT
11 FROM THE PROPRIETARY SCHOOL'S PROGRAMS. THE ASSESSMENT MAY BE
12 DONE BY THE PROPRIETARY SCHOOL OR BY A PUBLIC OR PRIVATE AGENCY.
13 THE ASSESSMENT PROCEDURE SHALL BE APPROVED BY THE DEPARTMENT OF
14 EDUCATION. THE PROPRIETARY SCHOOL OR AGENCY MAY CHARGE A REASON-
15 ABLE FEE FOR AN ASSESSMENT.

16 SEC. 2D. (1) IF THE BOARD REVOKES A LICENSE OR TEMPORARY
17 PERMIT PURSUANT TO SECTION 1 OR 2, THE DEPARTMENT OF EDUCATION
18 MAY DO ALL OF THE FOLLOWING:

19 (A) ORDER THE PERSON TO CEASE OPERATING THE PROPRIETARY
20 SCHOOL IMMEDIATELY AND TO REFUND TO STUDENTS ALL THEIR COSTS
21 RELATED TO ENROLLMENT IN THE PROGRAM.

22 (B) NOTIFY STUDENT LOAN GUARANTEE AGENCIES, FEDERAL AND
23 STATE STUDENT FINANCIAL AID PROGRAMS, AND ACCREDITING AGENCIES
24 THAT THE LICENSE OR TEMPORARY PERMIT OF THE PROPRIETARY SCHOOL
25 HAS BEEN REVOKED AND THAT THE PROPRIETARY SCHOOL HAS BEEN
26 CLOSED.

1 (2) A PERSON WHOSE TEMPORARY PERMIT OR LICENSE TO OPERATE A
2 PROPRIETARY SCHOOL HAS BEEN REVOKED MAY APPEAL THE DECISION OF
3 THE BOARD PURSUANT TO THE ADMINISTRATIVE PROCEDURES ACT OF 1969,
4 ACT NO. 306 OF THE PUBLIC ACTS OF 1969, BEING SECTIONS 24.201 TO
5 24.328 OF THE MICHIGAN COMPILED LAWS. IF THE DEPARTMENT OF EDU-
6 CATION HAS ORDERED THE CLOSURE OF A PROPRIETARY SCHOOL PURSUANT
7 TO SUBSECTION (1), THE ORDER SHALL BE STAYED UNTIL THE COMPLETION
8 OF ADMINISTRATIVE REMEDIES. UNLESS A COURT ORDER PROVIDES OTHER-
9 WISE, IF THE ORDER OF CLOSURE IS NOT RESCINDED AT THE END OF THE
10 ADMINISTRATIVE HEARING PROCESS, THE PERSON SHALL IMMEDIATELY
11 CEASE OPERATING THE PROPRIETARY SCHOOL AND THE DEPARTMENT SHALL
12 PROCEED WITH NOTICE UNDER SUBSECTION (1).