

HOUSE BILL No. 6372

August 30, 2006, Introduced by Reps. Emmons, Farhat, Nitz, Mortimer and Moore and referred to the Committee on Higher Education and Career Preparation.

A bill to amend 1943 PA 148, entitled

"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,"

by amending sections 1, 1a, 2, 2a, and 2b (MCL 395.101, 395.101a, 395.102, 395.102a, and 395.102b), sections 1, 2, 2a, and 2b as amended and section 1a as added by 1983 PA 60.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. (1) A proprietary school shall secure from the ~~board~~
2 **SUPERINTENDENT OF PUBLIC INSTRUCTION** a license issued in the form
3 prescribed by the ~~board~~ **SUPERINTENDENT OF PUBLIC INSTRUCTION** and
4 in accordance with this act.

5 (2) A license issued under this act shall be valid for not

1 more than 1 year. If the applicant continues to comply with this
 2 act and the rules promulgated under this act, the license may be
 3 renewed.

4 (3) The license may be revoked at any time if, in the judgment
 5 of the ~~board~~ **SUPERINTENDENT OF PUBLIC INSTRUCTION**, the person to
 6 whom the license is issued is not complying with ~~provisions of the~~
 7 ~~law or the rulings of the board~~ **APPLICABLE LAW**.

8 (4) A person shall not be granted a temporary permit or a
 9 license to operate a proprietary school as part of, or in
 10 conjunction with, another business or commercial enterprise ~~which~~
 11 **THAT** utilizes or sells goods or services produced by students.

12 Sec. 1a. As used in this act:

13 ~~—(a) "Board" means the state board of education.~~

14 **(A)** ~~—(b)~~ "Person" means an individual, partnership,
 15 corporation, association, organization, or other legal entity.

16 **(B)** ~~—(c)~~ "Proprietary school" means a school that uses a
 17 certain plan or method to teach a trade, occupation, or vocation
 18 for a consideration, reward, or promise of whatever nature.

19 Proprietary school includes, but is not limited to, a private
 20 business, trade, or home study school. Proprietary school does not
 21 include **ANY OF** the following:

22 (i) A school or college possessing authority to grant degrees.

23 (ii) A school licensed by law through another ~~board~~ **AGENCY** of
 24 this state.

25 (iii) A school maintained or a program conducted, without
 26 profit, by a person for that person's employees.

27 Sec. 2. (1) ~~A license shall not be issued~~ **THE SUPERINTENDENT**

1 **OF PUBLIC INSTRUCTION SHALL NOT ISSUE A LICENSE TO AN APPLICANT**
2 until the applicant has operated under a temporary permit in a
3 manner satisfactory to the ~~board~~ **SUPERINTENDENT OF PUBLIC**
4 **INSTRUCTION** and until the ~~board~~ **SUPERINTENDENT OF PUBLIC**
5 **INSTRUCTION** has approved the method and content of the advertising,
6 the standards and the methods of instruction, the personnel, and
7 the operating and instructional practices of the school.

8 (2) ~~A~~ **THE SUPERINTENDENT OF PUBLIC INSTRUCTION MAY GRANT A**
9 temporary permit to operate a proprietary school ~~may be granted~~
10 on the basis of a written proposal submitted in the manner and form
11 prescribed by the ~~board~~ **SUPERINTENDENT OF PUBLIC INSTRUCTION**. The
12 proposal shall include plans for facilities, instructional
13 procedures, personnel, business standards, and operating and
14 instructional practices ~~which~~ **THAT** comply with this act and with
15 rules promulgated under this act. A temporary permit issued under
16 this act shall be valid for not more than 1 year. If the applicant
17 continues to comply with this act and the rules promulgated under
18 this act, a temporary permit may be renewed.

19 Sec. 2a. (1) The ~~board~~ **SUPERINTENDENT OF PUBLIC INSTRUCTION**
20 shall provide for adequate inspection of all proprietary schools.
21 The ~~board~~ **SUPERINTENDENT OF PUBLIC INSTRUCTION** shall promulgate
22 rules pursuant to the administrative procedures act of 1969, ~~Act~~
23 ~~No. 306 of the Public Acts of 1969, being sections 24.201 to 24.315~~
24 ~~of the Michigan Compiled Laws 1969 PA 306, MCL 24.201 TO 24.328,~~
25 and employ the personnel necessary to carry out this act. A
26 proprietary school shall submit reports required by the ~~board~~
27 **SUPERINTENDENT OF PUBLIC INSTRUCTION** and shall make available to

1 authorized representatives of the ~~board~~ **SUPERINTENDENT OF PUBLIC**
2 **INSTRUCTION** all records pertaining to the instructional program of
3 the school or to any individual student or enrollee.

4 (2) The ~~board~~ **SUPERINTENDENT OF PUBLIC INSTRUCTION** shall set
5 and collect fees for licenses, temporary permits, and renewals
6 issued under this act. The fees shall be used solely for
7 administrative expenses incurred under this act.

8 (3) The ~~board~~ **SUPERINTENDENT OF PUBLIC INSTRUCTION** shall
9 exercise jurisdiction and control over proprietary schools and
10 solicitors for proprietary schools consistent with this act and
11 ~~Act No. 40 of the Public Acts of 1963, being sections 395.121 to~~
12 ~~395.125 of the Michigan Compiled Laws 1963 PA 40, MCL 395.121 TO~~
13 **395.125.**

14 Sec. 2b. A proprietary school shall provide the ~~board~~
15 **SUPERINTENDENT OF PUBLIC INSTRUCTION** with evidence of surety
16 conditioned to provide indemnification to a student suffering loss
17 because of inability to complete an approved course or program of
18 study due to the closing of the proprietary school. A surety may
19 consist of a bond, the amount of which shall be determined
20 according to rules promulgated by the ~~board~~ **SUPERINTENDENT OF**
21 **PUBLIC INSTRUCTION**. Surety shall expire on June 30 following the
22 date of issuance and proof of renewal shall be submitted to the
23 ~~board prior to~~ **SUPERINTENDENT OF PUBLIC INSTRUCTION BEFORE** the
24 date of expiration. Failure to submit evidence of surety shall
25 invalidate a license to operate a proprietary school. ~~This section~~
26 ~~does not apply to a proprietary school with a license issued by the~~
27 ~~board prior to November 2, 1967.~~

1 Enacting section 1. This amendatory act is intended to
2 transfer back to the superintendent of public instruction certain
3 powers, duties, and functions that were transferred to the former
4 department of career development by Executive Reorganization Order
5 No. 1999-7, MCL 388.995.