

SENATE FILE NO. SF0078

Private school licensing.

Sponsored by: Senator(s) Devin and Coe and
Representative(s) Hageman and Wasserburger

A BILL

for

1 AN ACT relating to private school licensing; imposing
2 additional requirements upon degree granting post secondary
3 education institutions as specified; increasing fees for
4 such licensed institutions; imposing a processing fee for
5 all licensees; increasing bonding requirements; specifying
6 license suspension and revocation; increasing criminal
7 penalties; and providing for an effective date.

8

9 *Be It Enacted by the Legislature of the State of Wyoming:*

10

11 **Section 1.** W.S. 21-2-401, 21-2-402(b)(i), (iii),
12 (iv), by creating new paragraphs (viii) through (xi), by
13 renumbering (viii) as (xii), (c) and (d), 21-2-405(a) and
14 21-2-407 are amended to read:

15

1 **21-2-401. License required; state board of education**
2 **to administer and set minimum standards; in-state office**
3 **required; on-site inspections by state department.**

4
5 (a) All trade, correspondence, distance education,
6 technical, vocational, business or other private schools,
7 and all degree granting post secondary education
8 institutions not accredited by a regional accrediting
9 association recognized ~~and accepted accrediting agency as~~
10 ~~defined by rule and regulation of~~ by the ~~state~~ United
11 States department of education, which are located within
12 the state or have their principal place of business out of
13 state but doing business in the state, shall be licensed
14 under this article before operating or doing business in
15 this state.

16
17 (b) Any degree granting post secondary education
18 institution not accredited by a ~~recognized and accepted~~
19 regional accrediting ~~agency as defined by rule and~~
20 ~~regulation of the state~~ association recognized by the
21 United States department of education, ~~and specified under~~
22 ~~subsection (a) of this section,~~ shall prior to operating or
23 doing business in this state, maintain physical facilities
24 as office space which is located in the state either

1 through property owned by the institution or through office
2 space which is subject to a current lease at the time of
3 application. The term of any lease shall be for a minimum
4 of one (1) year from its inception and lease renewal shall
5 be for periods of not less than one (1) year. In addition
6 to W.S. 21-2-402(b)(vi), the institution shall provide the
7 state department a copy of each new lease or lease renewal
8 entered into while holding a license under this article.
9 The designated office space shall be staffed on a full-time
10 basis by an employee of the institution. In addition, the
11 institution shall provide the state department with
12 evidence that substantive academic and student service-
13 related activity is conducted at this designated location.

14

15 (c) The state board of education, through the state
16 department of education, shall administer and enforce this
17 article.

18

19 (d) The board shall establish minimum standards for
20 all schools described in subsection (a) of this section and
21 provide for the investigation and evaluation of the schools
22 as necessary to administer this article. In addition, the
23 board shall prior to issuing any license under this article
24 and not less than once every three (3) years thereafter,

1 inspect and visit ~~the principal place of business of any~~
2 place of business of or any place where services are
3 delivered by each degree granting post secondary education
4 institution. The on-site inspection and visitation shall be
5 conducted by a representative of the state department and
6 may occur more frequently if requested by the department.
7 The licensee shall pay the costs of the inspection and
8 visitation according to rule and regulation of the
9 department. Written findings by the department shall be
10 provided to the board and the licensee. In addition and to
11 enforce requirements prescribed under subsection (b) of
12 this section, the department may provide for random,
13 unannounced on-site visitations at designated office space
14 locations of any degree granting post secondary education
15 institution.

16
17 **21-2-402. Licensure; post secondary education**
18 **institutions; application; fees; suspension and revocation.**

19
20 (b) Post secondary education institutions specified
21 under W.S. 21-2-401(a) shall apply to the state department
22 of education for a license under this article. Application
23 shall be in a manner and on a form prescribed by the
24 department and shall include:

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(i) A current financial statement prepared ~~or~~ in accordance with generally accepted accounting principles and audited by a certified public accountant;

(iii) The professional credentials for each instructor of the institution including an official copy of academic transcripts verifying academic status, verification of educational degrees attained, the name of the institution granting the degree and if the institution is accredited by a ~~recognized and accepted regional~~ accrediting agency as defined by department rule and regulation association recognized by the United States department of education. In addition and for institutions granting bachelors, masters or doctorate degrees, application shall include verification that not less than fifty percent (50%) of instructors employed or contracted by the institution have received a masters or doctorate degree in their respective field of study from a college or university accredited by a regional accrediting association recognized by the United States department of education, and that unless a waiver is granted by the department for an otherwise qualified instructor, the remaining fifty percent (50%) have received at least a bachelor's degree in

1 their respective field of study from a college or
2 university accredited by such recognized regional
3 accrediting association or as evidenced by an evaluation of
4 academic transcripts by service organizations pursuant to
5 paragraph (ix) of this subsection;

6
7 (iv) If ~~its~~the license of the applicant or the
8 license of any institution having any past or present
9 common ownership, management, marketing or other operation
10 of any kind with the applicant or with which the applicant
11 has previously commingled or currently commingles its
12 marketing, promotional, informational or operational
13 activities in any way, has been revoked, suspended, denied
14 or has not been renewed by the licensing jurisdiction of
15 another state, a detailed explanation of the reasons for
16 the action together with all documents relating to any
17 subsequent judicial or administrative proceedings;

18
19 (viii) A detailed mission statement specifying
20 purposes and objectives of the institution, including a
21 complete organizational chart, an illustration of the
22 institution's financial and administrative support for
23 faculty and student services and curriculum development,

1 and documentation of the means by which the stated purposes
2 and objectives will be supported by the institution;

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4 (ix) Evidence that all instructors, teachers and
5 faculty in possession of foreign credentials used by the
6 institution have submitted official copies of academic
7 transcripts which have been translated and evaluated by
8 service organizations in accordance with guidelines
9 established by the national council on the evaluation of
10 foreign academic credentials or the association of
11 international evaluators;

12
13 (x) Evidence that the institution is in
14 compliance with admission requirements for applicants which
15 are not residents of the United States, including:

16
17 (A) Official copies of academic transcripts
18 which have been translated and evaluated by service
19 organizations pursuant to guidelines established by the
20 national council on the evaluation of foreign academic
21 credentials or the association of international evaluators;

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23 (B) For students whose primary written and
24 spoken language is not English, a minimum score of five

1 hundred (500) written and one hundred seventy-five (175)
2 computer-based on the test of English as a foreign language
3 (TOEFL), administered within two (2) years of admission or
4 prior to receipt of a degree or certificate from the
5 institution, whichever first occurs. This subparagraph
6 shall not apply to any student attending class in an onsite
7 classroom in a foreign country under a bona fide franchise
8 agreement between a licensee and an educational institution
9 in that country if the student has completed, with a grade
10 equivalent to C or better, a minimum of six (6) semester
11 credit hours or ninety (90) classroom contact hours of post
12 secondary education instruction, taught by appropriately
13 credentialed instructors, in the study of the English
14 language. The requirement for an exception under this
15 subparagraph shall be demonstrated by appropriately
16 translated and evaluated academic transcripts or the
17 requirement may be satisfied through instruction received
18 concurrently with the student's course of study.

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20 (xi) A signed and certified agreement that the
21 applicant, upon obtaining a license, will not advertise or
22 otherwise represent in any manner that the licensed
23 institution is accredited unless accreditation has been

1 received from a regional accrediting association recognized
2 by the United States department of education;

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4 ~~(viii)~~ (xii) Any other information and materials
5 required by rule and regulation of the department.

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7 (c) A license issued to a post secondary education
8 institution applicant under subsection (b) of this section
9 is valid for a period of five (5) years beginning July 1 of
10 the year in which issued. During this period of license
11 validity, the department may upon providing proper notice,
12 require the licensee to provide additional written
13 information and other necessary materials. In addition,
14 the licensee shall annually report to the state department
15 on matters and in the manner required by department rule
16 and regulation, and the state board shall annually report
17 to the legislature on licenses issued under subsection (b)
18 of this section. The state department shall develop a
19 system to process student complaints pertaining to
20 institutions licensed under subsection (b) of this section.
21 The department shall prior to license issuance and renewal,
22 collect a license fee of ten thousand dollars (\$10,000.00)
23 from any degree granting post secondary education
24 institution licensed under this article, and a license fee

1 of one thousand dollars (\$1,000.00) ~~prior to license~~
2 ~~issuance~~ for all other institutions and schools licensed
3 under this article. In addition and applicable only for
4 those years of operation subsequent to license issuance and
5 prior to the year of license renewal, the department shall
6 impose and collect an annual information processing fee of
7 two thousand five hundred dollars (\$2,500.00) for a degree
8 granting post secondary education institution, and a fee of
9 five hundred dollars (\$500.00) for all other institutions
10 and schools.

11

12 (d) Subject to the requirements of the Wyoming
13 Administrative Procedure Act, the state board may suspend
14 or revoke a license issued under this section to any post
15 secondary education institution for past or current
16 material misrepresentations or omissions in any information
17 submitted to the department pursuant to this article, for
18 failure of the licensee to report any change in information
19 and other materials required under subsection (b) of this
20 section, for multiple or repeated violations of board
21 requirements to report or take action in a timely manner,
22 or for any other violation of this article. The board shall
23 provide written notice of any violation of this article to
24 the licensee at his last known address, which shall notify

1 the licensee of his opportunity to address any violation of
2 this article and otherwise demonstrate compliance with this
3 article within ten (10) days from the date of notice.

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5 **21-2-405. Performance bond or other security; amount;**
6 **exemption.**

7
8 (a) Before any school is issued a license under this
9 article, it shall submit to the state department of
10 education a performance bond or other form of security
11 prescribed by rule and regulation of the state department.
12 The bond or other form of security shall be in an amount
13 specified by department rule and regulation, except the
14 bond for a post secondary education institution shall be
15 not less than ~~fifty thousand dollars (\$50,000.00)~~ one
16 hundred thousand dollars (\$100,000.00). The bonds or other
17 form of security shall be approved by the attorney general
18 and shall be renewed annually as long as the school retains
19 its license to do business in Wyoming. The performance bond
20 or other form of security is to assure protection of all
21 persons enrolled in a course of study who may be aggrieved
22 by any school doing business or operating in the state.
23 The department of education is custodian of all bonds and
24 other securities filed under this section and may render

1 administrative but not legal assistance to all aggrieved
2 persons who may be entitled to relief under the bond.

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4 **21-2-407. Penalties; injunction.**

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6 Any person violating the provisions of this article is
7 guilty of a misdemeanor punishable by a fine of not more
8 than ~~one hundred dollars (\$100.00)~~ one thousand dollars
9 (\$1,000.00), by imprisonment in the county jail not to
10 exceed six (6) months, or both. Each solicitation of
11 enrollment or each transaction of business without a
12 license constitutes a separate offense. Any person
13 violating the provisions of this article may also be
14 enjoined from the continuation of the violation by
15 proceedings brought by the attorney general, any district
16 attorney, any school official or any aggrieved citizen,
17 regardless of whether criminal proceedings have been
18 instituted.

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1 **Section 2.** This act is effective immediately upon
2 completion of all acts necessary for a bill to become law
3 as provided by Article 4, Section 8 of the Wyoming
4 Constitution.

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(END)