

SENATE FILE NO. SF0069

Private school licensing-amendments.

Sponsored by: Joint Education Interim Committee

A BILL

for

1 AN ACT relating to private school licensing; transferring
2 duties from the state board to the department of education;
3 requiring registration of all accredited private degree
4 granting post secondary education institutions as
5 specified; requiring notification upon first entry into
6 state; prohibiting operation without registration;
7 eliminating licensure requirements for nonaccredited
8 private degree granting post secondary education
9 institutions; imposing fees; requiring bonding by
10 institutions under specified conditions; specifying
11 application; imposing transitional duties on the department
12 of education; and providing for effective dates.

13

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

15

16 **Section 1.** W.S. 21-2-401, 21-2-402(a), (b)(intro),
17 (d) and by creating a new subsection (f), 21-2-403,

1 21-2-404(a), (b) and (d), 21-2-405(a) and 21-2-407 are
2 amended to read:

3
4 **21-2-401. License required; registration required for**
5 **private degree granting post secondary education**
6 **institutions; department of education to administer and set**
7 **minimum standards for licensure.**

8
9 (a) Except as provided by subsection (b) of this
10 section, all trade, correspondence, distance education,
11 technical, vocational, business or other private schools,
12 ~~and all degree granting post secondary education~~
13 ~~institutions not accredited by an accrediting association~~
14 ~~recognized by the United States department of education,~~
15 which are located within the state or have their principal
16 place of business out of state but are doing business in
17 the state, shall be licensed under this article before
18 operating or doing business in this state.

19
20 (b) Any private degree granting post secondary
21 education institution ~~not accredited by an accrediting~~
22 ~~association recognized by the United States department of~~
23 ~~education,~~ shall prior to operating or doing business in
24 this state, ~~maintain physical facilities as office space~~

1 ~~which is located in the state either through property owned~~
2 ~~by the institution or through office space which is subject~~
3 ~~to a current lease at the time of application. The term of~~
4 ~~any lease shall be for a minimum of one (1) year from its~~
5 ~~inception and lease renewal shall be for periods of not~~
6 ~~less than one (1) year. In addition to W.S.~~
7 ~~21-2-402(b)(vi), the institution shall provide the state~~
8 ~~department a copy of each new lease or lease renewal~~
9 ~~executed while holding a license under this article. The~~
10 ~~designated office space shall be staffed on a full time~~
11 ~~basis by an employee of the institution. In addition, the~~
12 ~~institution shall provide the state department with~~
13 ~~evidence that substantive academic and student service~~
14 ~~related activity is conducted at this designated location~~
15 or continuing to operate or do business in this state,
16 notify the department of education pursuant to W.S.
17 21-2-402(f) or be registered with the department in
18 accordance with this article.

19
20 (c) The ~~state board of education, through the state~~
21 department of education, shall administer and enforce this
22 article.

1 (d) The ~~board~~department shall establish minimum
2 standards for all schools described in subsection (a) of
3 this section and provide for the investigation and
4 evaluation of the schools as necessary to administer this
5 article. ~~In addition, the board shall prior to issuing any~~
6 ~~license under this article and not less than once every~~
7 ~~three (3) years thereafter, inspect and visit any place of~~
8 ~~business of or any place where services are delivered by~~
9 ~~each degree granting post secondary education institution.~~
10 ~~The on site inspection and visitation shall be conducted by~~
11 ~~a representative of the state department and may occur more~~
12 ~~frequently if requested by the department. The licensee~~
13 ~~shall pay the costs of the inspection and visitation~~
14 ~~according to rule and regulation of the department. Written~~
15 ~~findings by the department shall be provided to the board~~
16 ~~and the licensee. To enforce requirements prescribed under~~
17 ~~subsection (b) of this section, the department may provide~~
18 ~~for random, unannounced on site visitations at designated~~
19 ~~office space locations of any degree granting post~~
20 ~~secondary education institution.~~

21
22 **21-2-402. Licensure; registration of private degree**
23 **granting post secondary education institutions; fees;**

1 **suspension and revocation; notification upon entry into**
2 **state.**

3
4 (a) Schools specified under W.S. 21-2-401(a)
5 excluding those schools exempt under W.S. 21-2-406 and
6 private degree granting post secondary education
7 institutions subject to ~~subsection~~ subsections (b) and (f)
8 of this section, shall pay an annual license fee
9 established by rule and regulation of the department in an
10 amount that, to the extent practicable, ~~the~~ generates a
11 total revenue ~~generated~~ from the fees collected that
12 approximates but does not exceed the direct and indirect
13 costs of administering the regulatory provisions required
14 under this article.

15
16 (b) Except as provided by subsection (f) of this
17 section, private degree granting post secondary education
18 institutions ~~specified under W.S. 21-2-401(a)~~ shall
19 annually apply to the ~~state~~ department of education for ~~a~~
20 ~~license~~ registration under this article. Application shall
21 be in a manner and on a form prescribed by the department
22 and shall include documentation or other verification of
23 accreditation by an accrediting association recognized by
24 the United States department of education and accepted by

1 the department, or verification of candidacy or otherwise
2 in the application process status for accreditation.
3 Except as otherwise provided under this subsection, an
4 annual registration fee of one hundred dollars (\$100.00)
5 shall be collected by the department prior to issuing a
6 registration certificate under this article. If the
7 applicant is a candidate for accreditation or is otherwise
8 in the application process for accreditation, and the
9 applicant submits verification of candidacy or application
10 status together with a performance bond or other form of
11 security required under W.S. 21-2-405, the department shall
12 collect an annual registration fee of one thousand dollars
13 (\$1,000.00) for each year the applicant institution remains
14 a candidate or continues the application process, up to a
15 period of not to exceed five (5) years and until the
16 institution receives accreditation. The period of
17 candidacy or otherwise in the application process status
18 expires at the end of the five (5) year period and the
19 applicant shall not operate or conduct business in this
20 state unless, upon a showing of good cause by the
21 applicant, the department finds the five (5) year period of
22 candidacy or applicant status should be extended. As used
23 in this article, "candidate for accreditation or otherwise
24 in the application process" means that within three (3)

1 months of first enrolling students, or by July 1, 2006, for
2 any private degree granting post secondary education
3 institution licensed to operate or do business under this
4 article prior to July 1, 2006, the private degree granting
5 post secondary education institution has applied for
6 accreditation by an accrediting association recognized by
7 the United States department of education and accepted by
8 the department and is being considered for candidacy status
9 or for accreditation by that association and is in the
10 process of gathering information and performing activities
11 requested by that association to complete the application
12 process.

13
14 (d) Subject to the requirements of the Wyoming
15 Administrative Procedure Act, the ~~state board~~ department
16 may suspend or revoke a ~~license~~ registration certificate
17 issued under this section to any private degree granting
18 post secondary education institution for ~~past or current~~
19 ~~material misrepresentations or omissions in any information~~
20 ~~submitted to the department pursuant to this article, for~~
21 ~~failure of the licensee to report any change in information~~
22 ~~and other materials required under subsection (b) of this~~
23 ~~section, for multiple or repeated violations of board~~
24 ~~requirements to report or take action in a timely manner,~~

~~or for any other violation of this article. The board shall provide written notice of any violation of this article to the licensee at his last known address, which shall notify the licensee of his opportunity to address any violation of this article and otherwise demonstrate compliance with this article within ten (10) days from the date of notice~~ loss of accreditation status or loss of accreditation candidacy or application status during any registration period.

(f) Any private degree granting post secondary education institution entering this state after July 1, 2006, with the intent of operating and doing business in this state, shall notify the department of education in a manner and within the time prescribed by rule and regulation of the department. Notification shall include submission of a performance bond or other form of security in an amount and in the manner prescribed by W.S. 21-2-405.

21-2-403. Licensing and regulation of qualifications of agents of private schools and institutions; fee.

(a) Agents of those schools or institutions specified under W.S. 21-2-401(a) or (b) who operate in the state and agents employed to solicit resident students by schools or

1 institutions located outside the state which are similar to
2 schools or institutions specified under W.S. 21-2-401(a) or
3 (b), shall be licensed under this article before soliciting
4 students and representing schools or institutions in this
5 state.

6
7 (b) The ~~state board, through the state~~ department of
8 education~~7~~ shall regulate qualifications of agents licensed
9 under this section and shall establish a license fee in an
10 amount that, to the extent practicable, the total revenue
11 generated from the fees collected approximates, but does
12 not exceed, the direct and indirect costs of administering
13 the regulatory provisions required for the administration
14 of this article. Fees collected under this subsection
15 shall be deposited in the general fund.

16
17 **21-2-404. Operation without license or registration**
18 **unlawful; soliciting business in public schools; furnishing**
19 **list of students.**

20
21 (a) No person shall operate a school or institution
22 as defined in W.S. 21-2-401 in Wyoming and no private
23 school or institution shall conduct business in Wyoming

1 without first obtaining a license, registration or
2 providing notification under this article.

3

4 (b) Unless the school or institution, proprietor or
5 its agent has been licensed, registered or has provided
6 notification as required under this article, no official or
7 employee of the Wyoming state department of education, any
8 college or university within the state or any school
9 district within the state, shall:

10

11 (i) Permit the school or institution, or
12 proprietor or agent thereof, to solicit business in any
13 public school within this state; and

14

15 (ii) Provide any list of students or other list
16 of prospects to the school, institution or proprietor or
17 agent thereof.

18

19 (d) No school or institution licensed, registered or
20 providing notification under this article shall claim or
21 advertise to prospective or enrolled students that it is
22 accredited in the United States unless the named
23 accrediting association, commission or other entity is
24 approved by the United States department of education, or

1 ~~the council for higher education accreditation~~ and if an
2 institution described under W.S. 21-2-401(b), is accepted
3 by the department.

4
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 and before any private degree granting post
10 secondary education institution operates in this state
11 under a registration issued under accreditation candidacy
12 or application status or under notification pursuant to
13 W.S. 21-2-402(f), it shall submit to the ~~state~~ department
14 of education a performance bond or other form of security
15 prescribed by rule and regulation of the ~~state~~ department.
16 The bond or other form of security shall be in an amount
17 specified by department rule and regulation subject to
18 limitations prescribed by this subsection. The bond for ~~a~~
19 ~~degree granting post secondary education institution shall~~
20 ~~be not less than one hundred thousand dollars (\$100,000.00)~~
21 ~~and for all other~~ private schools and for private degree
22 granting post secondary education institutions applying for
23 registration under accreditation candidacy or application
24 status pursuant to W.S. 21-2-402(b) or notifying the

1 department under W.S. 21-2-402(f), except those schools
2 excluded under subsection (b) of this section and
3 accredited private degree granting post secondary education
4 institutions registered under this article, shall be not
5 more than ten thousand dollars (\$10,000.00). The bonds or
6 other form of security shall be approved by the attorney
7 general and shall be renewed annually as long as the school
8 retains its license to do business in Wyoming or until the
9 institution receives accreditation. The performance bond or
10 other form of security is to assure protection of all
11 persons enrolled in a course of study who may be aggrieved
12 by any school doing business or operating in the state.
13 The department of education is custodian of all bonds and
14 other securities filed under this section and may render
15 administrative but not legal assistance to all aggrieved
16 persons who may be entitled to relief under the bond.

17

18 **21-2-407. Penalties; injunction.**

19

20 Any person violating the provisions of this article is
21 guilty of a misdemeanor punishable by a fine of not more
22 than one thousand dollars (\$1,000.00), by imprisonment in
23 the county jail not to exceed six (6) months, or both.
24 Each solicitation of enrollment or each transaction of

1 business without a license, registration certificate or
2 without providing notification to the department
3 constitutes a separate offense. Any person violating the
4 provisions of this article may also be enjoined from the
5 continuation of the violation by proceedings brought by the
6 attorney general, any district attorney, any school
7 official or any aggrieved citizen, regardless of whether
8 criminal proceedings have been instituted.

9
10 **Section 2.** W.S. 21-2-402(b)(i) through (xii) and (c),
11 21-2-404(c) and 21-2-406(a)(i)(B) and (b) are repealed.

12
13 **Section 3.**

14
15 (a) Any private degree granting post secondary
16 education institution licensed to operate or do business in
17 Wyoming under W.S. 21-2-401 through 21-2-407 prior to July
18 1, 2006, shall on and after July 1, 2006, be registered
19 with the Wyoming department of education pursuant to W.S.
20 21-2-401(b), as amended under section 1 of this act, in
21 order to continue to operate or do business in Wyoming.

22
23 (b) The department of education shall by rule and
24 regulation establish criteria to provide for the transition

1 of private degree granting post secondary education
2 institutions licensed prior to July 1, 2006, to
3 registration requirements imposed under this act. Criteria
4 shall include monitoring steps defining progress towards
5 accreditation by a recognized accrediting association as
6 required under W.S. 21-2-402(b), as amended under section 1
7 of this act.

8

9 **Section 4.** All rules and regulations promulgated by
10 the state board of education pertaining to private school
11 licensing under W.S. 21-2-401 through 21-2-407 in effect
12 prior to the effective date of this section shall remain in
13 effect and unaltered as rules and regulations of the
14 department of education until amended or repealed by the
15 department.

16

17 **Section 5.**

18

19 (a) Except as specified under subsection (b) of this
20 section, this act is effective July 1, 2006.

21

1 (b) Notwithstanding subsection (a) of this section,
2 sections 3 and 4 of this act are effective immediately upon
3 completion of all acts necessary for a bill to become law
4 as provided by Article 4, Section 8 of the Wyoming
5 Constitution.

6

7

(END)