

Regulatory Analysis Form		This space for use by IRRC NUMBER 11 3 55 REVIEWED 11/11/11 IRRC Number: 2183
(1) Agency Department of Education		
(2) I.D. Number (Governor's Office Use) #006-272		
(3) Short Title General Provisions		
(4) PA Code Cite 22 Pa. Code Chapter 73	(5) Agency Contacts & Telephone Numbers Primary Contact: Patricia Landis (717)787-4645 Secondary Contact: Sharon Lane (717) 783-8228	
(6) Type of Rulemaking (check one) Proposed Rulemaking Final Order Adopting Regulation X Final Order, Proposed Rulemaking Omitted	(7) Is a 120 --Day Emergency Certification Attached? No: X Yes:	
(8) Briefly explain the regulation in clear and nontechnical language. Section §73.1 is amended by providing a new definition for "Seminar" and revising the definition of "Nonresident." Section §73.151 (relating to fees) is amended to prescribe a new fee for schools that only present seminars, and revised fees for biennial school licensure or registration of all schools, and licensure of admissions representatives. The amendment to §73.151(b) increases the User Fees for other services provided by the Board, which are in addition to the processing and issuance of original or original or renewal school licenses, registration or seminars and admissions representative licenses.		
(9) State the statutory authority for the regulation and any relevant state or federal court decisions. Sections 4(a) and 10(a) of the Private Licensed Schools Act, Act No. 174 of 1986 (24 P.S. §§6504(a) and 6510(a)).		

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(10) Is the regulation mandated by any federal or state law or court order, or federal regulation? If yes, cite the specific law, case or regulation, and any deadlines for action.

Yes. Section 4(a) of the Private Licensed Schools Act (24 P.S. §6504(a)) requires the Board to establish standards, rules and regulations.

Section 10(a) of the Private Licensed Schools Act (24 P.S. §6510(a)) requires the Board to increase its fees by regulation so that the projected revenues will meet or exceed projected expenditures when the revenue raised by fees, fines and civil penalties imposed under this act are not sufficient to meet Board expenditures over a two-year period. The current fees are fixed by Pa. Code §73.151.

(11) Explain the compelling public interest that justifies the regulation. What is the problem it addresses?

The Private Licensed Schools Act empowered the Board to promulgate rules and regulations and to increase licensing fees to meet Board expenses. The Board's current fees are fixed by §73.151. The Board has recently reviewed its fees and determined that current fees are inadequate to meet revenue needs. Students enrolled in private licensed schools' training programs invest considerable time and money, adequate consumer protection and regulatory oversight is necessary.

(12) State the public health, safety, environmental or general welfare risks associated with nonregulation.

Nonregulation would adversely impact the fiscal integrity and oversight responsibility of the Board. Unscrupulous operators or entities would be more likely to take advantage of Pennsylvania citizens through unfair and deceptive acts and practices by unlicensed schools. Also, the Board would be unable to provide for the continuous regulatory oversight of private licensed and registered schools enrolling Pennsylvania students. The increase in fees is used to support Board and staff expenditures.

(13) Describe who will benefit from the regulation. (Quantify the benefits as completely as possible and approximate the number of people who will benefit.)

Pennsylvania students (approximately 345,149) are the primary beneficiaries of these regulations and approximately 345 licensed schools benefit from adequate funding of Board activities. The second beneficiaries are the employers who hire the graduates from private licensed schools. The resources these students provide are vital to a skilled workforce in a wide variety of industry or business, trade and technical jobs and creative career fields. There are approximately 350 private licensed/registered schools that provide the skilled workforce to Pennsylvania industry.

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(14) Describe who will be adversely affected by the regulation. (Quantify the adverse effects as completely as possible and approximate the number of people who will be adversely affected.)

Licensees applying for biennial renewal of school license will be required to bear up-to-date cost of providing the services involved. Approximately 345 schools will pay their biennial licensing fee on a graduated scale (\$500 - \$4,400) based on gross tuition revenue collected. Also, approximately, 350 admission representative licenses will increase from \$150 to \$300 annually.

(15) List the persons, groups or entities that will be required to comply with the regulation. (Approximate the number of people who will be required to comply.)

Approximately 345 schools apply for licenses biennially and 350 admission representatives apply for licenses annually.

(16) Describe the communications with and input from the public in the development and drafting of the regulation. List the persons and/or groups who were involved, if applicable.

The Board's Executive and Financial Review Committees, consisting of two public and five private licensed school representatives, considered the licensing fees as required by the statute.

(17) Provide a specific estimate of the costs and/or savings to the regulated community associated with compliance, including any legal, accounting or consulting procedures, which may be required.

No legal, accounting or consulting cost are anticipated as a result of the regulation. The estimate of the costs to the regulated community associated with compliance is described in item number 14 above.

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(18) Provide a specific estimate of the costs and/or savings to local governments associated with compliance, including any legal, accounting or consulting procedures which may be required.

There will be no cost or savings to local government associated with compliance.

(19) Provide a specific estimate of the costs and/or savings to state government associated with the implementation of the regulation, including any legal, accounting, or consulting procedures which may be required.

State government saves approximately \$600,000 per year. This is because the Board supports itself through the licensing fees and fines the regulated community pays to the State Board of Private Licensed Schools.

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(20) In the table below, provide an estimate of the fiscal savings and costs associated with implementation and compliance for the regulated community, local government, and state government for the current year and five subsequent years.

	Current FY Year	FY +1 Year	FY +2 Year	FY +3 Year	FY +4 Year	FY +5 Year
SAVINGS:	N/A	N/A	N/A	N/A	N/A	N/A
Regulated						
Local Government						
State Government						
Total Savings						
COSTS:						
Regulated						
Local Government						
State Government	\$558,000	\$564,000	\$609,000	\$679,000	\$708,000	\$738,000
Total Costs						
REVENUE						
Regulated	N/A	N/A	N/A	N/A	N/A	N/A
Local Government						
State Government						
Total Revenue Losses						

(20a) Explain how the cost estimates listed above were derived.

Cost estimates for the regulated community are based on the total revenue received for the current fiscal year for 36 initial applications for school licensure (\$54,000), 191 renewals of school licensure (\$384,100), 107 new program approvals (\$37,450), 290 admission representative licenses (\$43,500), 55 new school orientations (\$5,500), 7 change of ownerships (4,200), 45 school site visits (\$11,250) and 4 miscellaneous charges imposed on the schools (\$615).

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(20b) Provide the past three-year expenditure history for programs affected by the regulation.

Program	FY -3	FY -2	FY -1	Current FY
Private Licensed Schools	\$462,798	\$526,839	\$504,229	\$545,365

(21) Using the cost-benefit information provided above, explain how the benefits of the regulation outweigh the adverse effects and costs.

The Private Licensed School Act requires the Board to raise fees so that projected revenue will meet or exceed projected expenditures. This regulation enables the Board to satisfy that requirement. Consumer protection is a benefit for students. The Board makes certain that new schools and changes in existing schools meet minimum standards of quality and performance to protect students and consumers.

(22) Describe the nonregulatory alternatives considered and the costs associated with those alternatives. Provide the reasons for their dismissal.

An increase in licensing fees could not be achieved without regulatory change. No nonregulatory alternatives were considered since the Private Licensed Schools Act mandates that the Board increase its fees by regulation so that projected revenue will meet or exceed projected expenditures.

(23) Describe alternative regulatory schemes considered and the costs associated with those schemes. Provide the reasons for their dismissal.

No other regulatory approaches were considered.

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(24) Are there any provisions that are more stringent than federal standards? If yes, identify the specific provisions and the compelling Pennsylvania interest that demands stronger regulation.

There are no applicable federal standards. This is an area solely governed by state law and these regulations were specifically drafted under the authority of the Private Licensed Schools Act.

(25) How does this regulation compare with those of other states? Will the regulation put Pennsylvania at a competitive disadvantage with other states?

Pennsylvania will not be placed at a disadvantage with other states. Comparison of this regulation with other states would be ineffective because these changes relate specifically to Pennsylvania statutes. Surrounding state (Ohio, New York, Delaware, Maryland West Virginia, Virginia, etc.) revenue is dependent upon funds received from the General Assembly state's appropriation or a combination of state appropriation and licensing fees charged to their regulated community.

(26) Will the regulation affect existing or proposed regulations of the promulgating agency or other state agencies? If yes, explain and provide specific citations.

No. The regulations will not affect existing or proposed regulations.

(27) Will any public hearings or informational meetings be scheduled? Please provide the dates, times, and locations, if available.

Public comments were solicited at the public meetings of the State Board of Private Licensed Schools at which the regulation was addressed as the amendments were being developed and upon publication in the Pennsylvania Bulletin. An opportunity for written public comment was provided for a period of 30 days from publication of proposed rulemaking in the Pa. Bulletin.

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(28) Will the regulation change existing reporting, record keeping, or other paperwork requirements? Describe the changes and attach copies of forms or reports which will be required as a result of implementation, if available.

No changes to reporting, record keeping or paperwork are required by the regulations.

(29) Please list any special provisions which have been developed to meet the particular needs of affected groups or persons including, but not limited to, minorities, elderly, small businesses, and farmers.

Regulated schools vary widely in size and revenue. This variation is taken into account through the graduated school renewal biennial fee schedule. Smaller schools or entities will benefit in paying lower biennial licensing fees when their gross tuition revenue falls under \$10,000.

(30) What is the anticipated effective date of the regulation; the date by which compliance with the regulation will be required; and the date by which any required permits, licenses or other approvals must be obtained?

These final form regulations take effect upon final publication in the Pennsylvania Bulletin.

(31) Provide the schedule for continual review of the regulation.

The State Board of Private Licensed Schools is required by law to monitor its revenues and costs on a biennial basis and revise its regulations as necessary.

No sunset date has been assigned.

FACE SHEET
FOR FILING DOCUMENTS
WITH THE LEGISLATIVE REFERENCE BUREAU

(Pursuant to Commonwealth Documents Law)

#2183

DO NOT WRITE IN THIS SPACE

Copy below is hereby approved as to form and legality. Attorney General

BY: _____
(DEPUTY ATTORNEY GENERAL)

DATE OF APPROVAL

Check if applicable
Copy not approved. Objections
attached.

Copy below is hereby certified to be a true and correct copy of a document issued, prescribed or promulgated by:

Department of Education
State Board of Private Licensed Schools
(AGENCY)

006-272

DOCUMENT/FISCAL NOTE NO. _____

DATE OF ADOPTION: Patricia A. Landis

BY: Patricia A. Landis

TITLE: Coordinating Secretary
(EXECUTIVE OFFICER, CHAIRMAN OR SECRETARY)

Copy below is hereby approved as to form and legality. Executive or Independent Agencies.

Meggy E. Dunlop
BY

1/15/02
DATE OF APPROVAL

(Deputy General Counsel)
(Chief Counsel, Independent Agency)
(Strike inapplicable title)

Check if applicable. No Attorney General approval or objection within 30 days after submission.

Final-Form

Department of Education
State Board of Private Licensed Schools

Title 22 - Education
Chapter 73
General Provisions

PREAMBLE

DEPARTMENT OF EDUCATION
STATE BOARD OF PRIVATE LICENSED SCHOOLS
[22 PA. CODE CH. 73]

The State Board of Private Licensed Schools (Board), under the authority granted by the Private Licensed Schools Act (Act 24 P.S. §§6501-6518), amends §73.1 and §73.151 (relating to definitions and fees) to read as set forth in Annex A.

Notice of Proposed Rulemaking was published at 31 Pa. B. 2017 (April 14, 2001) with an invitation to submit written comments. No public comments were received.

No changes have been made subsequent to proposed rulemaking.

Description of Amendments

The final form of §73.1 adds a new definition for “Seminars,” and revises the definition of “Nonresident.”

The final form of §73.151(a) prescribes a new fee for initial licensure of schools that only present seminars, and revises fees for biennial licensure or registration of all schools, and licensure of admissions representatives.

The final form amendment of §73.151(b) increases the User Fees for other services provided by the Board, which services are in addition to the processing and issuance of original or renewal school licenses, registration and admissions representative licenses.

Purpose

The Board's current fees are fixed by §73.151. Section 10 of the Private Licensed Schools Act (24 P.S. §6510) authorizes the Board to increase its fees by regulation if the Board's revenues from fees, fines and civil penalties are not sufficient to meet Board expenditures over a two-year period.

The Board recently reviewed its fees and determined that current fees are inadequate to meet anticipated revenue needs. The Board estimates that its expenditures for the biennial period covering Fiscal Years 2000-01 and 2001-02 will be \$1,172,033. In contrast, the estimated revenues under the existing fee structure are \$1,044,500.

The new fees at §73.151 should raise sufficient revenue to offset the Board's projected expenditures for Fiscal Years 2000-01 and 2001-02 while maintaining a surplus, projected to be about \$259,080 by June 30, 2002, as a cushion against unanticipated expenditures or additional revenue shortfalls.

The Board last increased its fees on July 1, 1991. At that time, the Board's projections assumed substantial growth in the number of original and renewal licenses, registrations and program applications submitted. The numbers of license, registration, admission representatives and new program applications have decreased since that time and the Board has operated at a deficit in five of the nine preceding fiscal years under the current fee structure. Although the Board has covered previous deficits by drawing on the year-to-year carryover of unused funds, the carryover will be depleted in FY 2001-02, resulting in a negative balance in the Board's budget. At the same time, estimated

expenditures will exceed revenue projections. The current staffing level will need to be maintained for the foreseeable future.

In regard to the inclusion of seminars, an unlicensed school, business or entity that meets the definition of a seminar will be required to submit an original application for licensure or registration and will pay the \$750 initial application fee. Licensure will discourage such a business or entity from bait and switch advertising or solicitation under the term "seminar." It also will provide protection for the consumer in the areas of advertisements and representation, curriculum standards and qualified instructional staff. The reduced original application fee will benefit smaller schools and businesses presenting only seminars. It will not create an onerous burden for schools seeking initial licensure to offer short-term training courses. This type of school will not be required to submit a lengthy application for initial licensure and will be permitted to offer courses in various locations across the state under the revised definition of "Nonresident" as set forth in Annex A. After one year of operation, biennial renewal fees are on an assessed graduated scale based upon gross tuition revenue. The lower end of the graduated scale will benefit smaller schools where their gross tuition revenue collected is less in comparison to already established private licensed schools.

The fees as set forth in Annex will meet the anticipated need for additional revenue.

Fiscal Impact

There is no fiscal impact from the new or modified definitions. If the existing fee structure is not revised, total revenue, combined with current carry-over for the 1999-00 fiscal year, is expected to be \$1,086,293 for the biennial period ending 2001-02. The increased fees, together with fees which will not be increased, and the amount carried over from the 1999-00 fiscal year are expected to generate revenues totaling \$1,389,320 for the Board for the period ending 2001-02. Following is a table showing how much of the Board's total revenue each fee is expected to generate:

		Estimated Number of Fee Payers		
		Biennially Times		Amount of Fee
		<u>FY 2000-01</u>	<u>FY 2001-02</u>	<u>Est. Revenue</u>
<u>Board Activity</u>				
1. Original School License		40x\$1,500a		\$60,000
or Registration			40x\$1,500b	\$60,000
2. Biennial School Licensure				
or Registration	\$0	6x\$1,200a		\$7,200
			9x\$1,200b	\$10,800
	\$150-9,999	8x\$1,400a		\$11,200
			10x\$1,400b	\$14,000
	\$10,000-49,999	24x\$1,500a		\$36,000
			20x\$2,200b	\$44,000

	\$50,000-99,999	25x\$1,600a	\$40,000
		26x\$2,300b	\$59,800
	\$100,000-199,999	28x\$1,800a	\$90,720
		18x\$2,600b	\$46,800
	\$200,000-499,999	25x\$2,100a	\$52,500
		24x\$3,000b	\$72,000
	\$500,000-999,999	17x\$2,400a	\$40,800
		24x\$3,500b	\$84,000
	\$1,000,000-1,999,999	18x\$2,800a	\$81,200
		29x\$4,100b	\$118,900
	\$2,000,000 and over	12x\$3,000a	\$36,000
		21x\$4,400b	\$92,400
3. Admission Representative License		240x\$150a	\$36,000
		240x\$300b	\$72,000
4. New Program Application		150x\$350a	\$52,500
		150x\$700b	\$105,000
5. Change of Ownership		10x\$600a	\$6,000
		10x\$1,200b	\$12,000
6. New School Orientation Seminar		50x\$100a	\$5,000
		50x\$200b	\$10,000

7. School Site Inspection	40x\$250a	\$10,000
	40x\$500b	\$20,000.
a - For fees collected 7/01/00 – 6/30/01.		
b - For fee collected under fee increase 7/01/01 – 6/30/02.		
8. Estimated Revenue from New Fees		\$824,200
9. Estimated Revenue from Fees not Increase		\$565,120
Total Estimated Revenue		\$1,389,320
Total Estimate Expenditure		\$1,172,033
Rollover Amount from FY 1999-00		\$ 41,793
Surplus for Unanticipated Expenditures or Revenue Shortfall		\$ 259,080

Paperwork Requirements

The final form regulations require the Board to alter some of its forms to reflect the new fees. The final form regulations will create no additional paperwork for the private sector.

Effective Date

These final form regulations take effect upon final publication in the Pennsylvania Bulletin.

Sunset Date

The Private Licensed Schools Act requires that the Board monitor its revenues and costs on a biennial basis, and revise its regulations as necessary. Therefore, no sunset date has been assigned.

Regulatory Review

Under section 5(a) of the Regulatory Review Act (71 P.S. § 745.5(a)), on April 5, 2001, the Department of Education submitted a copy of the proposed rulemaking published at 31 Pa. B. 2017 (April 14, 2001) to the Independent Regulatory Review Commission (IRRC) and to the Chairpersons of the House and Senate Committees on Education for review and comment.

In compliance with section 5(c) of the Regulatory Review Act, the Board also provided IRRC and the Committees with other documentation. In preparing the final-form regulations, the Board considered the two comments received by IRRC, which were 1) a request for a breakdown of the Board staff time, salaries, associated costs and administrative overhead costs for each fee. 2) A request for an explanation of how seminars fit into the definition of "private licensed school" in 24 P.S. §6502. Responses

to these comments are included as attachments. No comments were received from the House and Senate Education Committees and the public.

Under section 5.1(d) of the Regulatory Review Act (71 P.S. §745.5a(d), the final-form regulations were (deemed) approved by the Senate Education Committee on _____ and (deemed) approved by the House Education Committee on _____. IRRC met on _____, and approved the final form regulation in accordance with section 5.1(e) of the Regulatory Review Act.

Contact Person

The official responsible for information on these final-form regulations is Patricia Landis, Coordinating Secretary, State Board of Private Licensed Schools, 333 Market Street, Harrisburg, PA 17126-0333, (717) 787-4645 or TDD (717) 787-7367.

Findings

The Board finds that:

- (1) Public notice of the intention to adopt these regulations was given under sections 201 and 202 of the act of July 31, 1968 (P.L. 769, No. 240) (45 P.S. §§1201 and 1202) and the regulations promulgated thereunder in 1 Pa. Code §§ 7.1 and 7.2.
- (2) A public comment period was provided as required by law and no public comments were received.

- (3) The adoption of the regulations in the manner provided by this Order is necessary and appropriate for administration of the authorizing statute.

Order

The Board, acting under the authorizing statute, orders that:

- (a) The regulations of the Board, 22 Pa. Code, Chapter 73 are amended to read as set forth at 31 Pa.B. 2017 (April 14, 2001).
- (b) The Coordinating Secretary of the Board will submit this Order and Annex A to the Office of General Counsel and the Office of Attorney General for review and approval as to legality and form as required by law.
- (c) The Coordinating Secretary of the Board shall certify this Order and Annex A and deposit them with the Legislative Reference Bureau as required by law.
- (d) This order is effective upon final publication in the Pennsylvania Bulletin.

By the State Board of Private Licensed Schools



Patricia Landis

Coordinating Secretary

**Response to IRRC Comment 1 of June 14, 2001
Breakdown of Board Staff Time, Salaries, Costs, and Overhead for Each Fee**

Activity	Proposed Fee	Projected # Activities Per Year	Projected Annual Income	Staff Hours per Activity	Annual Hours per Task	Annual Salary per Task	Costs per Activity	Annual Costs	Administrative Overhead per Activity	Annual Administrative Overhead
Original License Application	\$1,500	35	\$52,500	17	595	\$19,040	\$354	\$12,390	\$50	\$1,750
Original Seminar License Application	\$750	10	\$7,500	17	170	\$5440	\$354	\$3540	\$50	\$500
License Renewal	\$500 - \$4,400	172	\$497,050	6	1032	\$33,024	-	-	\$10	\$1720
Admissions Representative	\$300	240	\$72,000	4	960	\$30,720	-	-	\$10	\$2400
Board Directed Site Visit (relocation, etc)	\$500	17	\$8,500	12	204	\$6528	\$200	\$3400	\$10	\$170
Non-staff Site Visit	\$800	1	\$800	4	4	\$128	\$260	\$260	\$10	\$10
Change of Ownership Fee	\$1200	10	\$12,000	3	30	\$960	\$34	\$340	\$10	\$100
New Program	\$700	150	\$105,000	10	1500	\$48,000	\$34	\$5,100	\$50	\$7500
Orientation	\$200	50	\$10,000	6	300	\$9600	\$50	\$2500	\$40	\$2000
New School Site Visit	\$500	39	\$19,500	10	390	\$12,480	\$150	\$5850	\$10	\$390

Non-Fee Supported Staff Activities Required by Regulation

Activity	Projected # Activities Per Year	Staff Hours per Activity	Annual Hours per Task	Annual Salary per Task	Costs per Activity	Annual Costs	Administrative Overhead per Activity	Annual Administrative Overhead
Review Scholarship Applications	20	2	40	\$1280	\$101	\$2020	\$5	\$100
Compliance Visits	162	9	1458	\$46,656	\$250	\$40,500	\$5	\$810
Financial Reviews	342	2.5	855	\$27,360	\$16.87	\$5,770	\$10	\$3420
Monitor Surety	171	2.5	427.5	\$13,680	\$16.87	\$2,884	\$10	\$1710
Board Directed Investigations	7	27	189	\$6048	\$81	\$567	\$10	\$70
Investigate Unlicensed Activity	40	7	280	\$8960	-	-	\$5	\$200
Investigate Complaints	56	16	896	\$28672	-	-	\$10	\$560
Annual Report	1	286	286	\$9152	-	-	\$400	\$400
Produce Directory of Schools	1	37	37	\$1184	-	-	\$800	\$800
Respond to public inquiries	1500	.6	900	\$28,800	-	-	\$1	\$1500
Assist with records transfer for closed schools	4	80	320	\$10,240	\$200	\$800	\$200	\$800

Activity	Projected # Activities Per Year	Staff Hours per Activity	Annual Hours per Task	Annual Salary per Task	Costs per Activity	Annual Costs	Administrative Overhead per Activity	Annual Administrative Overhead
Process student claims against surety for closed schools	5	77	385	\$12,320	-	-	\$300	\$1500
Respond to requests for information and support from schools	500	2	1000	\$32,000	-	-	\$2	\$1000
Communicate with other agencies	100	1	100	\$3200	-	-	\$2	\$200
Prepare for Board Meeting (agenda, minutes, etc.)	5	70	350	\$11,200	-	-	\$200	\$1000
Attend Board Meetings	5	55	275	\$8800	-	-	-	-
Process Reportable Events	400	.5	200	\$6400	\$4.72	\$1,888	\$2	\$800
Reporting	50	4	200	\$6400	-	-	\$10	\$500

Response to IRRC Comment 2 of June 14, 2001

The Commission's second objection to the proposed regulation appears to suggest a misunderstanding of the purpose of including "seminars" in this regulation. In the Board's view and through its past actions, it has always considered seminars, as well as any occupational instruction offered by private licensed schools, to fall within its purview. Several entities that only provided seminar type programs complained that treating them like all other private licensed schools imposed an undue burden. The Board ultimately became convinced by this argument and attempted to address this concern. Thus, by adding a definition of seminar to the regulation and assigning a fee for licensing of schools conducting only seminars, the Board was simply creating a separate class of private licensed school with a reduced license fee.

In addition, please note that the proposed definition of the term "Seminar" satisfies all three prongs of the three-part definition of Private Licensed Schools contained in 24 P.S. §6502. The Act defines a "Private Licensed School" as 1) a "school or classes", 2) "operated for profit or tuition", 3) that provides either "resident instruction to prepare an individual to pursue an occupation" or "systematic instruction by correspondence or by telecommunication in a field of study."

The proposed definition of "Seminar" is "(1) Noncumulative short-term training of no more than 15 hours duration, not scheduled in a regular calendar format and offered as an introduction or orientation to an occupation; or (2) Instruction for an entry-level occupation offered at a total contract price of less than \$300, provided that the total contract price for all courses to any enrolled student is less than \$300 in any one calendar year."

This definition satisfies the first prong of the definition because "noncumulative short-term training" constitutes a "school" or "class" within the meaning of Section 6502.

The proposed definition of "Seminar" also satisfies the second prong because, unless they are free, seminars are operated for profit and/or tuition and the second part of the proposed definition in fact describes "Seminar" in relation to its cost.

The proposed definition also satisfies the third prong because "seminars" provide resident instruction.

ANNEX A

Title 22. EDUCATION

PART 111. STATE BOARD OF PRIVATE LICENSED SCHOOLS

CHAPTER 73. GENERAL PROVISIONS

DEFINITIONS

§ 73.1. Definitions.

The following words and terms, when used in this chapter, have the following meaning, unless the context clearly indicate otherwise:

* * * * *

Nonresident - A student who is [off the premises of a school facility] receiving instruction by correspondence, telecommunication or similar means including seminar.

* * * * *

Seminar – Training or instruction that is one of the following:

(i) Noncumulative short-term training of no more than 15 hours duration, not scheduled in a regular calendar format and offered as an introduction or orientation to an occupation.

(ii) Instruction for an entry-level occupation offered at a total contract price, of less than \$300, which includes all costs charged to students, including, tuition, fees, books, and supplies, provided that the total contract

price for all courses to any enrolled student is less than \$300 in any one calendar year.

* * * * *

§ 73.151. Fees.

(a) License fees. The fees for school and admissions representative licenses shall accompany both original and renewal license and registration applications.

The fee schedule is:

- (1) For an original school license or registration --\$1,500 [annually].
- (2) For an original school license or registration of a school that only presents seminars -- \$750.
- (3) For a renewal school license or registration --biennial fee based on gross tuition revenue:

Gross Tuition Revenue	Fee
<u>\$0-2,499</u>	[\$1,200] <u>500</u>
[\$150-9,999]	[\$1,400]
<u>\$2,500-4,999</u>	<u>\$1,000</u>

<u>\$5,000-9,999</u>	<u>\$2,000</u>
\$10,000-49,999	[\$1,500] <u>2,200</u>
\$50,000-99,999	[\$1,600] <u>2,300</u>
\$100,000-199,999	[\$1,800] <u>2,600</u>
\$200,000-499,999	[\$2,100] <u>3,000</u>
\$500,000-999,999	[\$2,400] <u>3,500</u>
\$1,000,000-1,999,999	[\$2,800] <u>4,100</u>
\$2,000,000 and over	[\$3,000] <u>4,400</u>

[3] (4) For an admission representative license -- \$[150] 300 annually.

(b) User fees. Fees will also be assessed for other services provided by the Board, which services are in addition to the processing and issuance of original or renewal school licenses or registration and admissions representative licenses.

These user fees are as follows:

- (1) A \$[350] 700 fee shall accompany each application for approval of a new program.
- (2) A \$[600] 1,200 fee shall accompany notification to the Board of a change in ownership of the school.
- (3) A \$[100] 200 fee per participant will be charged for participation in new school orientation seminars.
- (4) A \$[250] 500 fee will be charged for each site inspection of the following types: new school, change in location, expansion of

instructional space, temporary relocation, branch facility and remote training facility. This fee shall be paid before commencement of the visit.

(4) The fee for a Board-directed visit is \$[250] 500 per day if the visit is conducted by staff; \$[400] 800 per day plus team member expenses for a visit conducted by a team with nonstaff members. The fee for a Board-directed visit shall be paid before commencement of the visit.

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**TRANSMITTAL SHEET FOR REGULATIONS SUBJECT TO THE
REGULATORY REVIEW ACT**

I.D. NUMBER: 6-272
SUBJECT: Private Licensed Schools
AGENCY: DEPARTMENT OF EDUCATION

TYPE OF REGULATION

- Proposed Regulation
- Final Regulation
- Final Regulation with Notice of Proposed Rulemaking Omitted
- 120-day Emergency Certification of the Attorney General
- 120-day Emergency Certification of the Governor
- Delivery of Tolled Regulation
 - a. With Revisions
 - b. Without Revisions

RECEIVED
 DEPARTMENT OF EDUCATION
 JAN 15 2002

FILING OF REGULATION

DATE	SIGNATURE	DESIGNATION
	<i>[Signature]</i>	HOUSE COMMITTEE ON EDUCATION
	<i>[Signature]</i>	
	<i>Joan Ginges 1/24</i>	SENATE COMMITTEE ON EDUCATION
	<i>1/24/02 [Signature]</i>	
	<i>1/24/02 E. Pagan</i>	INDEPENDENT REGULATORY REVIEW COMMISSION
		ATTORNEY GENERAL
		LEGISLATIVE REFERENCE BUREAU