

In a Nutshell

Facts About Proprietary Schools

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FACTS ABOUT PROPRIETARY SCHOOLS*

1. What is a proprietary school?

A proprietary school is a private, non-public business enterprise owned by one person, a partnership, or a corporation that sells vocational/occupational courses, exceeding twenty (20) clock hours in length, of instruction to the general public for the purpose of training or preparing persons for gainful employment. In order to meet the definition of a proprietary school, a private business must either: maintain a physical facility within the state; have a mailing address within the state; or employ a representative(s) within the state. All licensed proprietary schools in Louisiana must abide by R.S. 17:3141, the law that governs proprietary schools. Proprietary schools are licensed by the Board of Regents and adhere to the rules and regulations of the Louisiana Proprietary Schools Advisory Commission.

2. What is not a proprietary school?

Schools or businesses that are not considered to be proprietary schools are:

- (a) A school or educational institution supported entirely or partly by public funds from either a local or state source;
- (b) A parochial, denominational or eleemosynary school or institution that provides religious training or theological education; however, any school or institution that also offers training in a secular field of endeavor shall be subject to the provisions of this Chapter;
- (c) A school or training program which offers instruction primarily in the field of recreation, health, entertainment, or personal enrichment and which does not purport to prepare or qualify persons for employment as determined by the Commission;
- (d) A course or courses of instruction or study sponsored by an employer for the training and preparation of its own employees when the employer is not primarily engaged in the business of selling or offering courses of instruction or study;
- (e) A course or courses of study or instruction sponsored by a recognized trade, business, or professional organization for the instruction of the members of such organization;
- (f) Private colleges and universities which only award a baccalaureate or higher degree and which maintain and operate educational programs for which credits are given;
- (g) A private school which provides a basic academic education comparable to that provided in the public schools of the state;
- (h) A school offering a program only for children under six years of age;
- (i) A school which is regulated and licensed under the laws of this state;
- (j) A private tutor, teacher, or individual engaged in giving private tutoring or lessons to five persons or less in non-school connected activities severed from the regular curriculum of a school as determined by the Commission;

- (k) A day camp;
- (l) A training program that does not have attendance requirements in place for persons taking the courses and which offers for sale only non-sequential and non-continuous courses of one week duration or less which does not exceed twenty hours of training; or
- (m) A manufacturer-certified training center that offers, at no additional charge to the person receiving training, manufacturer-authorized training that is included as part of the manufacturer's pricing package to prepare persons for certification conferred by the manufacturer and that uses course equipment and materials which are developed and sold by the manufacturer and course instructors and facilities which are certified by the manufacturer.

Courses of study such as cosmetology, electrolysis, barbering, embalming, insurance, and real estate are not regulated by the Louisiana State Board of Regents as many people assume. There are licensing boards specific to these areas that oversee and license these programs. Academic degree-granting institutions are also not classified as proprietary schools.

3. Who can open a proprietary school and how is it done?

Inquiries for the initial application packet for proprietary school licensure are processed upon request and receipt of a \$25 money order/business check/personal check made payable to the *Board of Regents*.

Each applicant must complete the licensure application which is composed of a 22-point checklist. When the proprietary school staff determines that an initial application is complete and compliant, the application is referred to the Louisiana Proprietary Schools Advisory Commission for consideration. The Commission then determines if a recommendation for licensure will be made to the Planning, Research, and Performance Committee of the Board of Regents. The Board of Regents is the ultimate licensing authority for proprietary schools in Louisiana.

4. Is there a proprietary school license renewal process and what are the requirements?

Each proprietary school license is valid for one year from date of initial issuance. This means that proprietary schools are required by law to submit annually the following updated information: PSC-1 form (Application Form); PSC-4 form (Solicitor Permit Application), if applicable; PSC-9 form (Instructor/Staff Application), if applicable; PSC-12 form (License Renewal Fee Affidavit); PSC-18 form (Tuition Refund Affidavit); verification of continuation of school bond or CD; verification of continuation of solicitor bond, if applicable; audited or reviewed financial statements; current copy of school catalog and enrollment agreement/contract; current annual license renewal fee; and annual solicitor renewal fee, if applicable.

Upon review by the proprietary schools staff and the recommendation of the Proprietary Schools Advisory Commission, all applications for license renewal are submitted to the Planning, Research, and Performance Committee for recommendation to the Board of Regents for final renewal approval.

5. How many proprietary schools are there operating in Louisiana?

Presently, there are 122 proprietary schools licensed by the Board of Regents. These schools, which offer a wide variety of programs of study, are located in various cities and towns throughout Louisiana and the United States. There are schools located in Colorado, Florida, Minnesota, North Carolina, Pennsylvania, Tennessee, Texas, and Wyoming that are licensed to recruit Louisiana students to their out-of-state schools.

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A complete listing of the schools and their locations can be found in the *Proprietary Schools Directory*. Upon request, this booklet can be purchased for \$5 (money order or personal check) from the Proprietary Schools Section.

6. Who is eligible to attend a proprietary school?

Each licensed proprietary school is required to publish a school catalog which details its specific admissions requirements. Certain admissions requirements may be determined by the job requirements for which training is sought and/or specific regulations determined by a regulatory board.

7. What kinds of courses are offered at a proprietary school and how long do they last?

Currently, there are over fourteen (14) classifications of study offered by Louisiana proprietary schools, and successful completion of each program of study results in the issuance of a certificate or diploma. Because these schools are privately owned, the school personnel can, with approval from proprietary schools staff, add, delete, or revise programs based upon the need within the schools' geographical areas. Prior to requesting an addition or amendment to their curricula, many schools do a needs assessment in their area. Based upon the outcome of this assessment, a school may alter its programs in hopes of assisting the students in furthering their education. Course lengths vary from 20+ clock hours to over 1800 clock hours.

8. What type of licenses or certificates can be obtained upon completion?

Proprietary schools do not award academic degrees. Instead, upon successful completion of a program of study, a proprietary school may award a graduate a certificate, a diploma, or an Associate in Occupational Studies degree. A school must be accredited by an accrediting agency recognized by the U. S. Department of Education prior to submitting an application to add or amend an Associate in Occupational Studies degree program.

9. How much does it cost to attend a proprietary school?

Since proprietary schools are private businesses, they operate under the free enterprise system. Thus, each school determines the cost it will charge for each program of study offered. The cost to attend proprietary schools generally will be greater than the cost to attend public vocational schools because proprietary schools are totally responsible for their operational and administrative costs whereas public schools receive taxpayer money to operate. It is a competitive marketplace and a prospective student would be wise to compare schools.

10. Can you get any type of financial aid?

Proprietary schools that are accredited by accrediting agencies that are recognized by the U. S. Department of Education (USDOE), and whose programs of study have been approved for Title IV funding by USDOE, may offer their students who qualify the opportunity to apply for federal financial aid in the form of grants and student loans. Proprietary schools, accredited or non-accredited, often offer financial assistance in the form of loans through private companies, institutional loans, individual payment plans, and scholarships to their students. Information regarding the types of financial aid assistance available would be included in the school catalog.

11. What types of situations do you need to investigate before you enroll?

There are a number of questions and concerns a prospective student may have prior to enrollment. It is wise beforehand to inquire either by calling the school itself, calling the Board of Regents--Proprietary Schools Section, visiting the school campus in person, talking with current and former students, or calling the Better Business Bureau in the city/town where the school is located.

Some of the areas of inquiry may be whether a school is licensed; is it in good standing with the state regulatory body; is it accredited by an accrediting agency recognized by the USDOE; do the credits transfer to other post-secondary institutions; does it offer financial assistance to students who qualify; are the instructors approved to teach by the regulatory body; is there certification/licensure obtained upon completion of the course or do students have the opportunity to test for certification/licensure after the successful completion of the course; are the facilities and equipment up-to-date; does it assist its graduates in locating job opportunities; does it offer refresher courses to its graduates; have there been any unresolved student complaints against the school filed with the regulatory body; and what type of job placement information is available on former graduates?

12. What happens to the students if a proprietary school closes and they are still enrolled?

Thankfully, this particular circumstance has not occurred in several years. Usually, when a school closes it has been mostly for economic reasons. However, there are two safety features for students built into the initial licensure application as well as the yearly renewal process. First, when a school applies for its initial license, the application must be accompanied by a school bond or certificate of deposit in the amount of \$10,000. Secondly, each school must contribute to the "Student Protection Fund". These two protective features are not to be used for purposes other than the protection of enrolled students in the event of a school closure and the students are unable to receive their remaining instruction at another school at no cost. The student is responsible for filing a claim with the proprietary schools section should he/she be unable to complete his/her education. Applying for a refund of tuition losses is not automatic; it is a lengthy, complicated legal process, but, in verifiable instances, very worthwhile.

13. What happens to the student's records if a school closes and can the student ever get a copy?

When a school closes, the proprietary schools law (R.S. 17:3141.16D.(4)) requires the school to transfer the student records to the Board of Regents. For those student records maintained by the proprietary schools section, a student or other entity (employment service, attorney, the military, or any other non-governmental agency) may request an official copy of specified records by submitting a signed release or subpoena and the \$10 processing fee, payable to the *Board of Regents*, in money order or certified check. The processing fee is returned if the records requested are unavailable.

14. Do credits earned at a proprietary school transfer to traditional two/four year colleges/universities?

The Associate in Occupational Studies degree offered in proprietary schools is non-academic in nature and no school should imply, promise, or guarantee transferability of credits according to R.S. 17:3141.15D.(1). Credits earned in a proprietary school may be reviewed and evaluated by a receiving institution and a determination made by that institution as to the reciprocity of credits.

15. Is there a student complaint process?

Yes, there is a student complaint process as required by law (R.S. 17:3141.3E.) and outlined in the policy and procedures publication, *Bulletin 1443*. Each school must publish a copy of this procedure in its catalog and/or on the enrollment agreement/contract given to the student. It is incumbent upon both the student and the school to meet the required time frames throughout the process in order for the procedure to be effective.

16. What is the difference between a licensed school and an accredited school?

As the Louisiana proprietary schools law is now written, all privately owned businesses that meet the definition of “proprietary school” are required to be licensed by the Louisiana Board of Regents. Affiliation with an accrediting agency is strictly a voluntary choice on the part of the proprietary school. Those schools that are accredited and whose programs of study meet the requirements for federal Title IV funding may offer their students who qualify the opportunity to apply for grants or student loans. However, those schools that offer short-term programs of study which do not meet the minimum length for accreditation purposes often forego the accreditation process as they feel it would not be beneficial to their school or to their students. We must emphasize that if a school is not accredited it is by no means an indication of an inferior school.

17. Who may be contacted at the Board of Regents, Proprietary Schools Section, for additional information?

Any questions, comments, or concerns may be addressed to:

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