



New School Applicant Orientation

Private Licensed Schools
Division of Law Enforcement Education and
Trade Schools

Private Licensed School

- If you are here today, it is because you have an interest in opening a Private Licensed School in Pennsylvania.
- In accordance with the Private Licensed Schools Act, 24 P.S. § 6502 (a) a Private Licensed School is a school, program, or classes operated for profit, tuition, or fees, that provides instruction to prepare an individual to pursue an occupation in the skilled trades, industry, business, or a field of study.”
 - Systematic instruction by correspondence or by telecommunication in a field of study

Private Licensed School

- An entity which performs the four functions listed below must be licensed/registered before advertising, enrolling, or providing instruction unless specifically exempt from licensure.
- (1) offering classes or maintaining a school
- (2) charging tuition
- (3) contracting with individuals directly rather than through a third-party contract, and
- (4) preparing individuals to seek employment.
- While there are some exceptions to this definition, a great deal of schools will fall into this category.
- You may reference the Private Licensed Schools Act and regulations § 73.42. Exemptions from licensure, if you are interested in knowing more about the exceptions.

Legal Authority

- As an Administrator (staff) for the Board, all our work – and the work of the Board – is supported by:
 - The Private Licensed Schools Act 174 of 1986
 - Regulations of the State Board of Private Licensed Schools
 - Title 22, Education
 - Part III, State Board of Private Licensed Schools
 - Chapter 73. General Provisions
 - Board Policy Memos

Legal Authority

- A complete summary of the powers and duties, or the legal authority, of the Board is included in The Private Licensed Schools Act 174 of 1986.
- The duties you will most often see performed include the review and determination of:
 - Initial licensure applications
 - Renewal licensure applications
 - Program applications, program revisions, distance ed
 - Change of ownership
 - Facilities – schools, remote sites, branch loc
 - Licensing of off-campus admissions representations
 - Director and Acting Director qualifications

Legal Authority

- The Board and its staff are also responsible for:
 - Establishing and enforcing policies, standards, rules, and regulations
 - Reviewing and acting on complaints made about schools
 - Ensuring schools have entered into an agreement with another school as a records repository
 - Reporting statistical data to the Senate and House of Representatives, including items such as tuition rates, graduation rates, and job placement rates

Resources

- Private Licensed Schools Act
- Regulations Chapter 73
- Board Policy Memos

NEW SCHOOL LICENSURE AND NEW PROGRAM APPLICATIONS

▶ New School Application

- A new school application is simply a request to the Board for licensure to operate.
- Before a license can be issued, the new school application must be completed and presented to the Board for review and approval determination.

▶ New Program Application

- A new program application is simply a request to the Board for a new program to be offered.
- Before a new program may be offered, the new program application must be completed and presented to the Board for review and approval determination.

▶ Accreditation vs. Licensure

- **License** – permission to operate
- **Accreditation** – by an authorized private agency that confirms that the education and practice meets certain quality standards

▶ New School and New Program Applications

- Staff conducts a quantitative review to ensure all items are included appropriately in the application and if the application is acceptable for Board review.

During the staff review, if qualitative items that should be corrected are noticed and would otherwise be pointed out by the Board, those revisions will be requested during review.

If in your first staff review letter you are asked for additional supplemental information/documents this is only for your application benefit!

▶ New School and New Program Applications

- After staff have conducted their review, feedback is provided with a 10-day “corrective action” period
 - Review thoroughly the required revisions to avoid delaying the application presentation to the Board. If revisions are not completed in time, the application will be delayed until a subsequent Board meeting.
 - Board Meetings are held only four (4) times per year, so missing a deadline due to overlooking necessary revisions can pose a significant delay in the start of a new school or new program.

Board Administrator (Staff) Role

- Board Administrators work as a point of contact for the schools to submit requests and notifications to be presented to the Board.
- We will be the first to review the materials submitted and will provide feedback as needed before items may be presented to the Board.

▶ Board Administrator (Staff) Role

- Staff can guide you to reference regulations and board memos, explain processes and procedures, and direct you toward information on submission requirements.
- Staff cannot teach applicants to develop a syllabus, prepare basic financial statements, or operate the school.
- Staff cannot complete tasks for the school or provide recommendations for individuals, businesses, or other contacts outside of PDE.

Consultants

- Accountant
- Attorney
- Educational/Administrative

** Please know that Board staff is permitted to correspond directly and only with school owners, directors, and school-retained legal counsel.

▶ New School and New Program Applications

- The Board then conducts a qualitative in-depth review of the application.

▶ Role of Board

- Once your application is complete and staff forwards your applications to the Board, you will be invited to the Board meeting.
- Your presence at the meeting allows the Board to ask questions they might have about the application and will give you the opportunity to explain in detail what they need to know to make a formal determination.
- The Board is responsible for making all final decisions. They will review the school's location and facility, the school's financials and surety, staff, program(s), and the job opportunities available in the area around the school.

Role of Board

- Approve – all clear to begin advertising, recruiting, enrolling and starting your first cohort classes
- Approve Pending
 - Minor revisions requested/required before approval
 - Handled with your BA
- Defer
 - Larger revisions requested/required before approval
 - Handled with the Board
- Deny
 - Numerous concerns about any part of the application
 - Can re-present to the Board for consideration after reworking the application; however, new fees and applications are required within the established submission deadlines

New School Application

NEW SCHOOL APPLICATION

New School Application - Fees

- \$ 300 – Mandatory New Applicant Seminar
- \$ 7,500 – New School Application Fee
(includes required one new program application)
- \$ 1,400 – Each Additional Program
(three programs maximum at any one time)
- \$ 750 – Site Visit
(main facility, remote site – fee is per site visit)
- \$ 600 – Admissions Representatives
(annual renewal fee)

▶ New School Application - Resources

- New School Application Form
- Sample New School Application
- Surety Bond Form
- Surety Bond Instructions
- Irrevocable Administrative Trust Form
- Ethics Statement

▶ New School Application

- Complete all shaded boxes. All others are locked.
- Tab from cell to cell for required data-entry
- Type in spaces or embed document
- Some cells self-populate or self-calculate based on other entries

PDE1003

- Complete all information
- Must provide active mailing address, phone number, and e-mail address
- Most communications will be by e-mail

Facility

- Facility floor plans with square footage for all instructional space
 - Floor plan can be self-prepared, but it must include dimensions
 - Indicate on the floor plan all major equipment
- Site visit required - \$750 site visit fee
- Certificate of Occupancy required
<https://www.dli.pa.gov/ucc/Pages/Obtaining-Duplicate-or-Revised-Occupancy-Permits-Certificates.aspx>
- Surety coverage required

Remote Facility

- If part of a program is taught at another site, list the address.
 - Driving range, clinical facility, lab
- Site visit required - \$750 site visit fee for each site
- Certificate of Occupancy required
<https://www.dli.pa.gov/ucc/Pages/Obtaining-Duplicate-or-Revised-Occupancy-Permits-Certificates.aspx>
- Floor plan with dimensions is required
 - If a shared facility i.e., for a Nurse Aide program – a usage agreement should be provided outlining the agreement and what specific space would be used
- Surety coverage required – this will be evidenced through a surety bond rider not a separate bond

Branch Facility – Informational Only

- If you will offer complete programs at another site
 - Entire program(s) must be offered at the branch
 - Branches must be in the same or a contiguous county
- Site visit required - \$750 site visit fee for each site
- Certificate of Occupancy required
<https://www.dli.pa.gov/ucc/Pages/Obtaining-Duplicate-or-Revised-Occupancy-Permits-Certificates.aspx>
- Surety coverage required - this will be evidenced through a surety bond rider not a separate bond
- Note: May not request branch facility until after initial licensure – this slide is informational only at this time.

Externship Site — More Information in the New Program Application

- Remote vs. Externship Site
 - Oversight by instructor = remote
 - Oversight by employee of business = externship
- No site visit required
- No site visit fee
- Must have a signed agreement with potential sites

Note: The new program application contains more information on the externship component of your program.

Ownership and Structure

- Evidence of Business Registration
 - Certificate of incorporation from Department of State, Corporate Bureau
 - Partnership agreement
 - Registration of foreign corporation

Ownership

- Personal data is required
 - Sole Proprietor (will only complete #1)
 - Partner (will complete #1 and #2 or more)
 - Corporation (will complete #1, #2, #3, and #4; even if the same person holds more than one position)
 - #1 President
 - #2 Vice President
 - #3 Secretary
 - #4 Treasurer

Ownership

- Personal data includes
 - [FBI Criminal Background Check](#)
 - [PA State Police Criminal History](#)
 - Credit Report

School Names

- Must provide evidence of registration for any alternate school names provided on the PDE1003
- Fictitious Name registration from Pennsylvania Department of State, Corporate Bureau

Surety

Sole purpose is to ensure a claim could be made by a student in the event the school closes and does not repay the prepaid tuition of a student.

- **Surety Bond** – must contain signatures and titles of the school administrators and seals (school and insurer). A school seal should be an embossing seal with at minimum the school's name. Email copy to your BA prior to mailing in the original.
 - [Form](#)
 - [Instructions](#)
- **PTAF (Pennsylvania Training Assurance Fund)**
Firm Director, Baker Tilly US, LLP
Susan.Maloney@bakertilly.com • Work
(412) 697 6448 • Work
(412) 418 7049 • Mobile
20 Stanwix Street, Suite 800
Pittsburgh, PA 15222
- **Irrevocable Administrative Trust** – established with an attorney and accountant to set aside funds for surety purposes

Proforma-Instructions

- Please review the instructions carefully and in their entirety
- New School Financial Requirements:
 - Positive capitalization, stockholder's equity cannot be negative
 - 1:1 current ratio, where current assets must equal or exceed current liabilities
 - Cash equal to pre-start-up and the first 4 months of operating expenses

Business Plan Summary

- Respond to all questions on business plan form
- The business plan offers the school the opportunity to present their vision to the Board
- The school will state their goals and plans for reaching them

Accounting Principles

- All financial information must conform with Generally Accepted Accounting Principles (GAAP)
- Key concept of GAAP is Accrual Accounting
 - Method that measures the performance and position of a company by recognizing economic events regardless of when cash transactions occur.
 - Economic events are recognized at the time in which the transaction occurs rather than when payment is made (or received).
 - This method gives a more accurate picture of a company's current financial condition.

Accounting Principles

- Board staff cannot act as an accountant
- Please hire an accountant, if necessary

Profit and Loss Statement

- Accurate and realistic reflection of the revenue and expenditures anticipated prior to opening and the first 18 months of operation.
- Be realistic – do not underestimate expenses – include all possible expenses including facilities, utilities, advertising, printing costs, staffing, staff benefits, insurance, and all other expenses.
- Include attrition
- It is okay if there is no profit immediately
- Failure to accurately anticipate reasonable expenses or unrealistic revenue projections can result in deferral or denial by the Financial Review Committee (FRC).

- ACTUAL, REAL, income statement and balance sheet – not projected
- A guide for the Financial Review Committee to assess the financial strength and solvency of the applicant school
- Measures the current condition and ability to operate in the future
- Must balance. Total assets must equal total liabilities plus equity.
- May not be completely zeros
- Must complete all sections

PDE-2006 and Quarterly Reporting

- The PDE-2006 is the form used and required for quarterly reporting.
- New schools are automatically placed on quarterly reporting.
- Good rule of thumb is to place a calendar reminder 4 weeks prior to the next Board meeting to have your quarterly report submitted to avoid a preliminary violation.

PDE2006 and Quarterly Reporting

- The [PDE2006](#) for quarterly reporting can be located on our website
- The [instructions](#) on how to upload and submit are also there as well
- Mrs. Allison Felix is staff to the Financial Review Committee (FRC) and can be contacted with any questions at alfelix@pa.gov

Audited Financials

- All applicant schools must demonstrate the financial solvency of the owners.
 - If the school is a proprietorship (single owner) or partnership, the application should include personal financial statements.
 - These must be audited, compiled, or reviewed by a CPA/3rd party
 - If the school is owned by a corporation, and it is a new corporation and there is no historical financial data for the new corporation – audited, compiled, or reviewed personal financial statements are required for each owner identified with the corporation.
- Existing corporations will need to provide audited financials.

Audited Financials

- Financial statements provided for new school applications are expected to meet the following criteria:
 - A positive net worth, accompanied by a reasonable debt to equity ratio
 - 1:1 current ratio, where current assets must equal or exceed current liabilities
 - Capitalization – cash equal to pre-start-up and the first 4 months of operating expenses, cannot depend on tuition revenue

Evidence of Capital

- Capitalization is cash contributed to an organization (either through stock or direct paid-in contributions.)
- Capitalization is cash invested in the school that is available to purchase fixed assets and pay the school's operating expenses.
- 4 months of operating costs without relying on tuition revenue
- Can show as cash or a line of credit
- In the name of school
- Cannot depend on tuition revenue

Disclaimer – re: Financials

- Information is provided to guide schools and applicants in financial planning and financial reporting.
- However, the Board and the Financial Review Committee may look at any other indicator to determine stability and are not limited to or bound by the criteria outlined in this presentation.
- Reminder: Board staff cannot act as an accountant
- Please hire an accountant, if necessary

Ethics Statement

- [PDE-1647 Statement on Reasonable Service and Business Ethics](#)
- Serious commitment
- Read carefully and comply
- Signed by owner or director

Records Repository

- Must be with another Private Licensed School in Pennsylvania
- Must have signature, printed name, title, and school address for both schools
- Must be dated (and updated with each renewal)
- § 73.24. Disposition of student records statement.
- Note: While the Central Repository has been approved and included in the revised Act, schools must continue to maintain repository agreements until the Central Repository is finalized.

Records Repository — How to locate another PLS

- <http://www.edna.pa.gov/Screens/wfSearchEntity.aspx>
- Leave all fields blank except those mentioned below:
 1. Enter the city name, or a nearby city, or leave blank to see the entire listing for the state
 2. Under the heading **Postsecondary and Higher Education Entities** select Private Licensed School
 3. Scroll down a little and Click search at the bottom left.

Sample Repository – No Form Provided

AGREEMENT OF DISPOSITION OF STUDENT RECORDS

In the event of closure of Walker's School of Business, student academic records will be stored at Blake's Trucking Institute. Blake's Trucking Institute agrees to store the records for 50 years in accordance with the Private Licensed Schools Act and regulations and to make records available to students as needed.

Robert K. Sweedling
Director
Walker's School of Business
17 South Fiddler Avenue
Fallingham, PA 17654

date

Maria Acosta
Director
Blake's Trucking Institute
347 Oakland Avenue
West Matherly, PA 17098

date

Student Records – Informational

- Current Students
 - Transcript
 - Proof of admissions requirements
 - Enrollment Agreement
 - Student Ledger Card
- Graduates
 - Transcript
 - Award
- Withdrawals
 - Transcript
 - Student ledger card
 - Last date of attendance
 - Refund calculation
 - Date refund sent, within 30 days

Transcripts - Informational

- Must be maintained for 50 years
- Must be placed with a repository when the school closes
- Must contain the following items
 - School name (the Board-approved school name) and full address of the school/branch location attended
 - Student's name
 - ID number (it is recommended that student social security numbers not be used)
 - Enrolled program (the Board-approved program name)
 - Program start date (the date the student began attending)
 - List of courses attempted and/or completed
 - Grades for each course attempted/completed (including 'I' for incomplete and 'W' for withdrawn courses)
 - Clock hours and/or credits for each course attempted/completed
 - Student's last date of attendance
 - Student status (active, leave of absence, graduate, withdrawal, terminated)
 - Student status change date
 - Earned award (if student has graduated - certificate, diploma, Associate in Specialized Business degree, or Associate in Specialized Technology degree)
- Name, title, signature of school official and the date is typically needed to indicate it is an official copy and should also be added.

PDE340 – Qualifications of Director

- For Director
- For Acting Director(s)
- Complete all sections
- Include documentation of qualifications
- Must be able to be on premise during school hours of operation (local address)
- A Director or Acting Director must be on-site during all hours of operation
 - Multiple Acting Directors may be assigned to ensure facility coverage

Admission Representative

- Required only if they enroll students off school property
- Fee for each representative is \$600 annually
- Form for Admissions Representatives is found under 'School Resources' on the main PLS website

Enrollment Agreement

- Embed the agreement
- No form is provided
- Complete the checklist
- All items on the checklist are required – n/a is listed but truly isn't an option. If it doesn't apply to your school/policies, I strongly encourage you to still put it in stating as such.
- Must duplicate information provided in the school catalog
- Review regulations to ensure minimum requirements are met – for the agreement itself and the policies it contains

Catalog

- If the school catalog is available online, indicate the URL
- If the school catalog is available as a document, paste or embed the catalog
- No format is provided – however, be conscientious of aesthetics regarding font style, size, spacing etc.
- Complete the checklist
 - Adopt a definition of consent as part of the code of conduct or sexual misconduct or harassment policy – more information to follow post seminar
- All items on the checklist are required
- Must duplicate information provided in the enrollment agreement
- Review regulations to ensure minimum requirements are met
 - for the agreement itself and the policies it contains

Submitting Payment

Note: Payments via check/money order will not be accepted after June 30, 2023. As of July 1, 2023, all payments will need to be made using the [Online Payment Center](#).

- Based on current USPS delivery time estimates, please allow 10-14 business days from the time of mailing for your payment to be received in our offices. It may prove beneficial to send critical and/or time-sensitive items by trackable means. Providing the tracking information to Board staff will allow them to confirm if the mail item has been received by PDE, even if it has not yet been delivered directly to our office.
- Please be sure to include any pertinent information with all correspondence. Indicate the name of the school and specifically what the item pertains to.
- Pennsylvania Department of Education
- Division of Law Enforcement Education and Trade Schools
- State Board of Private Licensed Schools
- 333 Market Street, 12th Floor
- Harrisburg, PA 17126-0333
- Check or money order only, payable to: Pennsylvania Department of Education



Submitting Payment

- **Online Payment Center**
- Review and follow the instructions for making an online payment:
 - [Payment for Private Licensed School Fees \(PDF\)](#)
- Important Notes:
 - Payment Reference – please be sure to provide your school’s name and city as the ‘Payment Reference’. Failure to provide this information may delay the processing of the school’s request as we will need to verify the source of any anonymous payments.
 - Email – to receive an emailed receipt of your payment, you must provide your email address when processing the payment. Receiving an emailed receipt is recommended for all transactions, especially in the event the school fails to provide the school’s name and city as the ‘Payment Reference’.
 - Please be sure to carefully select the correct Program ID (which is the service/item you are paying the fee for). Selecting an incorrect Program ID may delay the processing of the school’s request, as the payment will be applied to the selected Program ID (service/item).
 - There is a 2% transaction fee charged for credit cards. There is no fee charged for ACH transactions.

Break

BREAK