



**ARIZONA STATE SENATE**  
*Fifty-Second Legislature, Second Regular Session*

FACT SHEET FOR H.B. 2371

postsecondary education board; exceptions; continuation

Purpose

Continues the State Board for Private Postsecondary Education (the Board) for eight years and modifies a license and regulation exemption.

Background

The Board licenses and regulates 260 private postsecondary educational institutions operating vocational and degree programs in the state. These private universities, colleges, career colleges and vocational schools annually serve approximately 600,000 students.

The Board has two main purposes: licensing and regulation and the administration of the Student Tuition Recovery Fund. The Board, on application, may issue a private vocational program license to a new educational institution that meets specific requirements that the Board deems necessary. Some requirements for licensure include: 1) making specific information concerning educational programs, including statements of purpose, objectives, course of study and other pertinent information available to prospective students and general public; 2) maintaining a qualified faculty; 3) providing courses of instruction that meet state objectives; and 4) furnishing a letter of credit, surety bond or cash deposit. Statute provides several exemptions from licensure and regulation by the Board. One exemption is for a school or private instruction conducted by any person engaged in training, tutoring or teaching individuals or groups, if the instruction is related to hobbies, avocations, academic improvement or recreation and may only incidentally lead to gainful employment and if the instruction is for a period of under forty hours and costs less than one thousand dollars (A.R.S. § 32-3021).

On November 30, 2015, the Senate Education and House Government and Higher Education Committee of Reference (COR) met to review the sunset factors of the Board and to receive public testimony. The COR recommended to continue the Board for eight years.

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Allows the Board, on application, to issue a private vocational program license to an educational institution that is otherwise exempt from licensure and regulation.
2. Modifies the exemption for schools or private instruction that is related to hobbies, avocations, academic improvement or recreation as follows:

FACT SHEET

H.B. 2371

Page 2

- a) prohibits the instruction from intending to provide vocational training; and
  - b) eliminates requirements for the instruction to be for a period of under 40 hours and cost less than \$1,000.
3. Continues, retroactive to July 1, 2016, the Board until July 1, 2024.
  4. Repeals the Board on January 1, 2025.
  5. Contains a purpose statement.
  6. Becomes effective on June 30, 2016, with a retroactive provision as noted.

House Action

GHE	2/11/16	DP	9-0-0
3 <sup>rd</sup> Read	3/3/16		57-0-3

Prepared by Senate Research  
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CB/BM/lis