

By: Alonzo

H.B. No. 2784

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the refund policy for courses and programs at career
3 schools and colleges.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Sections 132.061(b), (f), and (g), Education
6 Code, are amended to read as follows:

7 (b) Except as provided by Subsection (g), as a condition for
8 granting certification each career school or college must maintain
9 a policy for the refund of the unused portion of tuition, fees, and
10 other charges in the event the student, after expiration of the
11 72-hour cancellation privilege, fails to enter a program in which
12 the student is enrolled or withdraws or is discontinued from the
13 program at any time prior to completion, and such policy must
14 provide:

15 (1) refunds for resident programs and synchronous
16 distance education courses or programs will be based on the period
17 of enrollment computed on the basis of course or program time;

18 (2) the effective date of termination for refund
19 purposes in residence programs and synchronous distance education
20 courses or programs [~~career schools or colleges~~] will be the
21 earliest of the following:

22 (A) the last date of attendance, if the student
23 is terminated by the school or college;

24 (B) the date of receipt of written notice of

1 withdrawal from the student; or

2 (C) 10 school days following the last date of
3 attendance;

4 (3) if tuition and fees are collected in advance of
5 entrance, and if, after expiration of the 72-hour cancellation
6 privilege, the student does not enter the residence career school
7 or college, not more than \$100 shall be retained by the school or
8 college;

9 (4) for the student who enters a residence program or a
10 synchronous distance education course or program and who [~~of not~~
11 ~~more than 12 months in length, terminates, or~~] withdraws or is
12 otherwise terminated, the school or college may retain not more
13 than \$100 of administrative [~~tuition and~~] fees charged and the
14 minimum refund of the remaining tuition and fees will be the pro
15 rata portion of tuition, fees, and other charges that the number of
16 hours remaining in the portion of the course or program for which
17 the student paid after the effective date of termination bears to
18 the total number of hours in the portion of the course or program
19 for which the student paid[+]

20 [~~(A) during the first week or one-tenth of the~~
21 ~~program or course, whichever is less, 90 percent of the remaining~~
22 ~~tuition and fees,~~

23 [~~(B) after the first week or one-tenth of the~~
24 ~~program or course, whichever is less, but within the first three~~
25 ~~weeks or one-fifth of the program or course, whichever is less, 80~~
26 ~~percent of the remaining tuition and fees,~~

27 [~~(C) after the first three weeks or one-fifth of~~

1 ~~the program or course, whichever is less, but within the first~~
2 ~~quarter of the program or course, 75 percent of the remaining~~
3 ~~tuition and fees;~~

4 ~~[(D) during the second quarter of the program or~~
5 ~~course, 50 percent of the remaining tuition and fees;~~

6 ~~[(E) during the third quarter of the program or~~
7 ~~course, 10 percent of the remaining tuition and fees; or~~

8 ~~[(F) during the last quarter of the program or~~
9 ~~course, the student may be considered obligated for the full~~
10 ~~tuition and fees];~~

11 (5) ~~[for residence programs or synchronous distance~~
12 ~~education courses more than 12 months in length, the refund shall be~~
13 ~~applied to each 12-month period paid, or part thereof separately,~~
14 ~~and the student is entitled to a refund as provided by Subdivision~~
15 ~~(4);~~

16 ~~[(6)]~~ refunds of items of extra expense to the
17 student, such as instructional supplies, books, student
18 activities, laboratory fees, service charges, rentals, deposits,
19 and all other such ancillary miscellaneous charges, where these
20 items are separately stated and shown in the data furnished the
21 student before enrollment, will be made in a reasonable manner
22 acceptable to the commission;

23 (6) ~~[(7)]~~ refunds based on enrollment in residence and
24 synchronous distance education courses or programs ~~[schools or~~
25 ~~colleges]~~ will be totally consummated within 60 days after the
26 effective date of termination;

27 (7) ~~[(8)]~~ refunds for asynchronous distance education

1 courses or programs will be computed on the basis of the number of
2 lessons in the course or program;

3 (8) [~~(9)~~] the effective date of termination for refund
4 purposes in asynchronous distance education courses or programs
5 will be the earliest of the following:

6 (A) the date of notification to the student if
7 the student is terminated;

8 (B) the date of receipt of written notice of
9 withdrawal from the student; or

10 (C) the end of the third calendar month following
11 the month in which the student's last lesson assignment was
12 received unless notification has been received from the student
13 that the student wishes to remain enrolled;

14 (9) [~~(10)~~] if tuition and fees are collected before
15 any courses [~~lessons~~] for a program have been completed, and if,
16 after expiration of the 72-hour cancellation privilege, the student
17 fails to begin the program, not more than \$50 shall be retained by
18 the school or college;

19 (10) [~~(11)~~] in cases of termination or withdrawal
20 after the student has begun the asynchronous distance education
21 course or program, the school or college may retain \$50 of tuition
22 and fees, and the minimum refund policy must provide that the
23 student will be refunded the pro rata portion of the remaining
24 tuition, fees, and other charges that the number of courses
25 [~~lessons~~] completed and serviced by the school or college bears to
26 the total number of courses [~~lessons~~] in the program [~~course~~]; and

27 (11) [~~(12)~~] refunds based on enrollment in

1 asynchronous distance education schools or colleges will be totally
2 consummated within 60 days after the effective date of termination.

3 (f) A career school or college shall record a grade of
4 "incomplete" for a student who withdraws during the last quarter of
5 a course or program [~~but is not entitled to a refund under~~
6 ~~Subsection (b)(4)(F)] if the student requests the grade at the time
7 the student withdraws and the student withdraws for an appropriate
8 reason unrelated to the student's academic status. A student who
9 receives a grade of incomplete may re-enroll in the program during
10 the 12-month period following the date the student withdraws, pay
11 the amount of tuition refunded to the student under Subsection (b),
12 and complete those incomplete subjects [~~without payment of~~
13 ~~additional tuition~~].~~

14 (g) A program that is 40 hours or less of course time, or a
15 seminar or workshop, is exempt from the 72-hour rule provided by
16 Subsection (a). The career school or college shall maintain a
17 policy for the refund of the unused portion of tuition, fees, and
18 other charges in the event the student fails to enter the program or
19 withdraws or is discontinued from the program at any time before
20 completion of the program as provided by this section. The policy
21 must provide that:

22 (1) refunds are based on the period of enrollment
23 computed on the basis of course or program time;

24 (2) the effective date of termination for refund
25 purposes is the earlier of:

26 (A) the last date of attendance; or

27 (B) the date the school or college receives

1 written notice from the student that the student is withdrawing
2 from the class; and

3 (3) the student will be refunded the pro rata portion
4 of tuition, fees, and other charges that the number of hours [~~of~~
5 ~~course time~~] remaining in the portion of the [student's] program
6 for which the student paid after the effective date of termination
7 bears to the total number of hours in the portion of [of course time
8 ~~in]~~ the program for which the student paid.

9 SECTION 2. (a) The change in law made by this Act to Section
10 132.061, Education Code, applies only to the refund policy of a
11 career school or college to which a certificate of approval is
12 granted or for which a certificate of approval is renewed on or
13 after the date this Act takes effect.

14 (b) The refund policy of a career school or college to which
15 a certificate of approval is granted or for which a certificate of
16 approval is renewed before the date this Act takes effect is
17 governed by the law in effect on the most recent date the
18 certificate of approval was granted or renewed until the
19 certificate of approval expires or is renewed on or after the date
20 this Act takes effect, and the former law is continued in effect for
21 that purpose.

22 SECTION 3. This Act takes effect September 1, 2011.