

By: Alonzo

H.B. No. 2784

A BILL TO BE ENTITLED

AN ACT

relating to the refund policy for courses at career schools and colleges.

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

SECTION 1. Section 132.061(b), Education Code, is amended to read as follows:

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

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

(2) the effective date of termination for refund purposes in residence career schools or colleges will be the earliest of the following:

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

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

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

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

8 (4) for the student who enters a residence program or a
9 synchronous distance education course and who [~~of not more than 12~~
10 ~~months in length, terminates, or~~] withdraws or is otherwise
11 terminated, the school or college may retain not more than \$100 of
12 tuition and fees and the minimum refund of the remaining tuition and
13 fees will be the pro rata portion of tuition, fees, and other
14 charges that the number of hours of course time remaining in the
15 student's program after the effective date of termination bears to
16 the total number of hours of course time in the program, except that
17 a student may not collect a refund if the student has completed 75
18 percent or more of the total number of hours of course time in the
19 program on the effective date of termination[+]

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 schools or colleges will be totally
25 consummated within 60 days after the effective date of termination;

26 (7) ~~[(8)]~~ refunds for asynchronous distance education
27 courses will be computed on the basis of the number of lessons in

1 the course;

2 (8) [~~(9)~~] the effective date of termination for refund
3 purposes in residence programs and synchronous and asynchronous
4 distance education courses will be the earliest of the following:

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

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

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

13 (9) [~~(10)~~] if tuition and fees are collected before
14 any lessons for a program have been completed, and if, after
15 expiration of the 72-hour cancellation privilege, the student fails
16 to begin the program, not more than \$50 shall be retained by the
17 school or college;

18 (10) [~~(11)~~] in cases of termination or withdrawal
19 after the student has begun the asynchronous distance education
20 course, the school or college may retain \$50 of tuition and fees,
21 and the minimum refund policy must provide that the student will be
22 refunded the pro rata portion of the remaining tuition, fees, and
23 other charges that the number of lessons completed and serviced by
24 the school or college bears to the total number of lessons in the
25 course; and

26 (11) [~~(12)~~] refunds based on enrollment in
27 asynchronous distance education schools or colleges will be totally

1 consummated within 60 days after the effective date of termination.

2 SECTION 2. (a) The change in law made by this Act to Section
3 132.061, Education Code, applies only to the refund policy of a
4 career school or college to which a certificate of approval is
5 granted or for which a certificate of approval is renewed on or
6 after the date this Act takes effect.

7 (b) The refund policy of a career school or college to which
8 a certificate of approval is granted or for which a certificate of
9 approval is renewed before the date this Act takes effect is
10 governed by the law in effect on the most recent date the
11 certificate of approval was granted or renewed until the
12 certificate of approval expires or is renewed on or after the date
13 this Act takes effect, and the former law is continued in effect for
14 that purpose.

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