

AN ACT

relating to the operation, certification, and accountability of career schools or colleges.

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

SECTION 1. Section 61.0904, Education Code, is amended to read as follows:

Sec. 61.0904. REVIEW OF INSTITUTIONAL GROUPINGS. (a) At least once every 10 years, the board shall conduct a review of the institutional groupings under the board's higher education accountability system, including a review of the criteria for and definitions assigned to those groupings.

(b) The board shall include within the board's higher education accountability system any career schools and colleges in this state that offer degree programs. Regardless of whether the board is conducting a periodic review of institutional groupings as required by Subsection (a), the board shall determine whether to create one or more separate institutional groupings for entities to which this subsection applies. In implementing this subsection, the board shall:

(1) consult with affected career schools and colleges regarding the imposition of reporting requirements on those entities; and

(2) adopt rules that clearly define the types and amounts of information to be reported to the board.

1        (c) In advance of each regular session of the legislature,  
2 the board shall report to each standing legislative committee with  
3 primary jurisdiction over higher education regarding any entities  
4 to which Subsection (b) applies that do not participate in the  
5 board's higher education accountability system as provided by that  
6 subsection.

7        SECTION 2. Subdivisions (1) and (4), Section 132.001,  
8 Education Code, are amended to read as follows:

9                (1) "Career school or college":

10                (A) means any business enterprise operated for a  
11 profit or on a nonprofit basis that maintains a physical place of  
12 business within this state or solicits business within this state,  
13 that is not specifically exempted by this chapter, and:

14                        (i) [~~(A)~~] that offers or maintains a course  
15 or courses of instruction or study; or

16                        (ii) [~~(B)~~] at which place of business such  
17 a course or courses of instruction or study are available through  
18 classroom instruction or by distance education, or both, to a  
19 person for the purpose of training or preparing the person for a  
20 field of endeavor in a business, trade, technical, or industrial  
21 occupation, or for avocational or personal improvement; and

22                        (B) does not include a school or educational  
23 institution that:

24                                (i) is physically located in another state;

25                                (ii) is legally authorized by the state of  
26 its physical location to offer postsecondary education and award  
27 degrees;

1                   (iii) is accredited by a regional or  
2 national accrediting organization recognized by the United States  
3 secretary of education under the Higher Education Act of 1965 (20  
4 U.S.C. Section 1001 et seq.); and

5                   (iv) offers in this state only  
6 postsecondary distance or correspondence programs of instruction.

7                   (4) "Representative" means a person employed by a  
8 career school or college [~~, whether the school or college is located~~  
9 ~~within or without this state,~~] to act as an agent, solicitor,  
10 broker, or independent contractor to directly procure students for  
11 the school or college by solicitation within [~~or without~~] this  
12 state at any place.

13                   SECTION 3. Sections 132.052 and 132.151, Education Code,  
14 are amended to read as follows:

15                   Sec. 132.052. APPLICATION FOR CERTIFICATE OF APPROVAL.  
16 Every career school or college desiring to operate in this state [~~or~~  
17 ~~do business in this state~~] shall make written application to the  
18 commission for a certificate of approval. Such application shall  
19 be verified, be in such form as may be prescribed by the commission,  
20 and shall furnish the commission such information as the commission  
21 may require.

22                   Sec. 132.151. PROHIBITIONS. A person may not:

23                   (1) operate a career school or college without a  
24 certificate of approval issued by the commission;

25                   (2) solicit prospective students for or on behalf of a  
26 career school or college without being registered as a  
27 representative of the career school or college as required by this

1 chapter;

2 (3) accept contracts or enrollment applications for or  
3 on behalf of a career school or college from a representative who is  
4 not bonded as required by this chapter;

5 (4) utilize advertising designed to mislead or deceive  
6 prospective students;

7 (5) fail to notify the commission of the closure  
8 [~~discontinuance of the operation~~] of any career school or college  
9 within 72 hours of cessation of classes and make available accurate  
10 records as required by this chapter;

11 (6) negotiate any promissory instrument received as  
12 payment of tuition or other charge by a career school or college  
13 prior to completion of 75 percent of the applicable program,  
14 provided that prior to such time, the instrument may be transferred  
15 by assignment to a purchaser who shall be subject to all the  
16 defenses available against the career school or college named as  
17 payee; or

18 (7) violate any provision of this chapter.

19 SECTION 4. Subchapter G, Chapter 132, Education Code, is  
20 amended by adding Section 132.202 to read as follows:

21 Sec. 132.202. REQUIRED POSTING BY CERTAIN SCHOOLS OR  
22 EDUCATIONAL INSTITUTIONS NOT OPERATING IN THIS STATE. A school or  
23 educational institution described by Section 132.001(1)(B) shall  
24 post a conspicuous notice on the home page of its website stating:

25 (1) that the career school or college is not regulated  
26 in Texas under this chapter;

27 (2) the name of any regulatory agencies that approve

1 and regulate the school's programs in the state where the school is  
2 physically located and in which it has legal authorization to  
3 operate; and  
4 (3) how to file complaints or make other contact with  
5 applicable regulatory agencies.

6 SECTION 5. Subsection (d), Section 132.059, Education Code,  
7 is repealed.

8 SECTION 6. The changes in law made by this Act apply only to  
9 a certificate of approval issued, an action filed, or any other  
10 proceeding commenced under Chapter 132, Education Code, on or after  
11 the effective date of this Act. A certificate of approval issued,  
12 an action filed, or any other proceeding commenced before the  
13 effective date of this Act is covered by the law in effect at the  
14 time the certificate of approval was issued, the action was filed,  
15 or the other proceeding was commenced, and the former law is  
16 continued in effect for that purpose.

17 SECTION 7. This Act takes effect September 1, 2011.

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President of the Senate

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Speaker of the House

I hereby certify that S.B. No. 1534 passed the Senate on April 29, 2011, by the following vote: Yeas 29, Nays 2; May 24, 2011, Senate refused to concur in House amendments and requested appointment of Conference Committee; May 25, 2011, House granted request of the Senate; May 28, 2011, Senate adopted Conference Committee Report by the following vote: Yeas 29, Nays 2.

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Secretary of the Senate

I hereby certify that S.B. No. 1534 passed the House, with amendments, on May 23, 2011, by the following vote: Yeas 145, Nays 0, two present not voting; May 25, 2011, House granted request of the Senate for appointment of Conference Committee; May 28, 2011, House adopted Conference Committee Report by the following vote: Yeas 147, Nays 0, two present not voting.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor