

SENATE AMENDMENTS

2nd Printing

By: Alonzo

H.B. No. 2784

A BILL TO BE ENTITLED

AN ACT

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

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

SECTION 1. Sections 132.061(b), (f), and (g), Education Code, are 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 or programs will be based on the period of enrollment computed on the basis of course or program time;

(2) the effective date of termination for refund purposes in residence programs and synchronous distance education courses or programs [~~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

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.

ADOPTED

MAY 23 2011

Atty. Gen.
Secretary of the Senate

By: Hinojosa

H.B. No. 2784

Substitute the following for H.B. No. 2784:

By: Lehner

C.S. H.B. No. 2784

A BILL TO BE ENTITLED

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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 and who [~~of not more than 12~~
11 ~~months in length, terminates, or~~] withdraws or is otherwise
12 terminated, the school or college may retain not more than \$100 of
13 any administrative [~~tuition and~~] fees charged and the minimum
14 refund of the remaining tuition and fees will be the pro rata
15 portion of tuition, fees, and other charges that the number of hours
16 remaining in the portion of the course or program for which the
17 student has been charged after the effective date of termination
18 bears to the total number of hours in the portion of the course or
19 program for which the student has been charged, except that a
20 student may not collect a refund if the student has completed 75
21 percent or more of the total number of hours in the portion of the
22 program for which the student has been charged on the effective date
23 of termination[+

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

27 [~~(B) after the first week or one-tenth of the~~

1 ~~program or course, whichever is less, but within the first three~~
2 ~~weeks or one-fifth of the program or course, whichever is less, 80~~
3 ~~percent of the remaining tuition and fees,~~

4 ~~[(C) after the first three weeks or one-fifth of~~
5 ~~the program or course, whichever is less, but within the first~~
6 ~~quarter of the program or course, 75 percent of the remaining~~
7 ~~tuition and fees,~~

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

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

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

15 (5) ~~[for residence programs or synchronous distance~~
16 ~~education courses more than 12 months in length, the refund shall be~~
17 ~~applied to each 12-month period paid, or part thereof separately,~~
18 ~~and the student is entitled to a refund as provided by Subdivision~~
19 ~~(4),~~

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

27 (6) ~~[(7)]~~ refunds based on enrollment in residence and

1 synchronous distance education courses or programs [~~schools or~~
2 ~~colleges~~] will be totally consummated within 60 days after the
3 effective date of termination;

4 (7) [~~(8)~~] refunds for asynchronous distance education
5 courses or programs will be computed on the basis of the number of
6 lessons in the course or program;

7 (8) [~~(9)~~] the effective date of termination for refund
8 purposes in asynchronous distance education courses or programs
9 will be the earliest of the following:

10 (A) the date of notification to the student if
11 the student is terminated;

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

14 (C) the end of the third calendar month following
15 the month in which the student's last lesson assignment was
16 received unless notification has been received from the student
17 that the student wishes to remain enrolled;

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

23 (10) [~~(11)~~] in cases of termination or withdrawal
24 after the student has begun the asynchronous distance education
25 course or program, the school or college may retain \$50 of tuition
26 and fees, and the minimum refund policy must provide that the
27 student will be refunded the pro rata portion of the remaining

1 tuition, fees, and other charges that the number of courses
2 [~~lessons~~] completed and serviced by the school or college bears to
3 the total number of courses [~~lessons~~] in the program [~~course~~]; and

4 (11) [~~(12)~~] refunds based on enrollment in
5 asynchronous distance education schools or colleges will be totally
6 consummated within 60 days after the effective date of termination.

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

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

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

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

3 (A) the last date of attendance; or

4 (B) the date the school or college receives
5 written notice from the student that the student is withdrawing
6 from the class; and

7 (3) the student will be refunded the pro rata portion
8 of tuition, fees, and other charges that the number of hours [~~of~~
9 ~~course time~~] remaining in the portion of the [student's] program
10 for which the student has been charged after the effective date of
11 termination bears to the total number of hours in the portion of [of
12 ~~course time in]~~ the program for which the student has been charged.

13 SECTION 2. (a) The change in law made by this Act to Section
14 132.061, Education Code, applies only to the refund policy of a
15 career school or college to which a certificate of approval is
16 granted or for which a certificate of approval is renewed on or
17 after the date this Act takes effect.

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

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

ADOPTED

MAY 23 2011

Antony Spaw
Secretary of the Senate

BY: *J. J. Acig*

FLOOR AMENDMENT NO. 1

1 Amend C.S.H.B. No. 2784 (senate committee printing) in
2 SECTION 1 of the bill, by striking amended Section 132.061(f),
3 Education Code (page 2, lines 57 through 67), and substituting the
4 following:

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

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 24, 2011

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB2784 by Alonzo (Relating to the refund policy for courses and programs at career schools and colleges.), **As Passed 2nd House**

No fiscal implication to the State is anticipated.

The bill would define the refund policy criteria for students at career schools and colleges.

The bill would stipulate a career school or college may retain not more than \$100 of administrative fees, and would require the minimum refund of the remaining tuition and fees that had been charged to the student to be based on the pro rata portion of tuition, fees, and other charges that the number of hours of course time remaining in the student's program, except where the student has completed more than 75 percent of the program for which the student has been charged, in which case the student may not collect a refund.

The bill would require a grade of "incomplete" be recorded for a student who withdraws during the portion of a course or program for which the student is not eligible to collect a refund. The bill would allow a student with an incomplete to re-enroll in the course or program during the 12-month period following the date the student withdraws and complete those incomplete subjects without payment of additional tuition.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, JAW, AG, RT

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 20, 2011

TO: Honorable Mike Jackson, Chair, Senate Committee on Economic Development

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB2784 by Alonzo (Relating to the refund policy for courses and programs at career schools and colleges.), **Committee Report 2nd House, Substituted**

No fiscal implication to the State is anticipated.

The bill would define the refund policy criteria for students at career schools and colleges.

The bill would stipulate a career school or college may retain not more than \$100 of administrative fees, and would require the minimum refund of the remaining tuition and fees that had been charged to the student to be based on the pro rata portion of tuition, fees, and other charges that the number of hours of course time remaining in the student's program, except where the student has completed more than 75 percent of the program for which the student has been charged, in which case the student may not collect a refund.

The bill would require a grade of "incomplete" be recorded for a student who withdraws during the last quarter of a course or program. The bill would allow a student with an incomplete to re-enroll in the course or program and pay the amount of tuition originally refunded to the student.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, JAW, AG, RT

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 16, 2011

TO: Honorable Mike Jackson, Chair, Senate Committee on Economic Development

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: **HB2784** by Alonzo (Relating to the refund policy for courses and programs at career schools and colleges.), **As Engrossed**

No fiscal implication to the State is anticipated.

The bill would define the refund policy criteria for students at career schools and colleges.

The bill would stipulate a career school or college may retain not more than \$100 of administrative fees, and would require the minimum refund of the remaining tuition and fees to be based on the pro rata portion of tuition, fees, and other charges that the number of hours of course time remaining in the student's program.

The bill would require a grade of "incomplete" be recorded for a student who withdraws during the last quarter of a course or program. The bill would allow a student with an incomplete to re-enroll in the course or program and pay the amount of tuition originally refunded to the student.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, AG, RT, JAW

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 2, 2011

TO: Honorable John Davis, Chair, House Committee on Economic & Small Business
Development

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB2784 by Alonzo (Relating to the refund policy for courses and programs at career schools and colleges.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated.

The bill would define the refund policy criteria for students at career schools and colleges.

The bill would stipulate a career school or college may retain not more than \$100 of administrative fees, and would require the minimum refund of the remaining tuition and fees to be based on the pro rata portion of tuition, fees, and other charges that the number of hours of course time remaining in the student's program.

The bill would require a grade of "incomplete" be recorded for a student who withdraws during the last quarter of a course or program. The bill would allow a student with an incomplete to re-enroll in the course or program and pay the amount of tuition originally refunded to the student.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, AG, RT, JAW

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

April 20, 2011

TO: Honorable John Davis, Chair, House Committee on Economic & Small Business Development

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB2784 by Alonzo (Relating to the refund policy for courses at career schools and colleges.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would define the criteria for tuition and fee refunds for certain students at career schools and colleges.

The bill would stipulate for students who have completed less than 75 percent of the program that a career school or college may retain not more than \$100 of tuition and fees, and would require the minimum refund of the remaining tuition and fees to be based on the pro rata portion of tuition, fees, and other charges that the number of hours of course time remaining in the student's program. This bill would stipulate a student may not collect a refund if the student has completed 75 percent or more of the total number of hours of course time in the program on the effective date of termination.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, AG, RT, JAW