

AN ACT

relating to the regulation of certain educational institutions by the Texas Higher Education Coordinating Board; providing administrative penalties.

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

SECTION 1. Subchapter G, Chapter 61, Education Code, is amended by adding Section 61.3025 to read as follows:

Sec. 61.3025. DEFINITION: ACADEMIC RECORDS. (a) In this subchapter, "academic records" means any information that is:

(1) directly related to a student's educational efforts;

(2) intended to support the student's progress toward completing a degree program; and

(3) regardless of the format or manner in which or the location where the information is held, maintained by an institution for the purpose of sharing among academic officials.

(b) The term "academic records" includes a student's educational history but does not include medical records, alumni records other than educational history, human resources records, or criminal history record information or other law enforcement records.

SECTION 2. Section 61.303, Education Code, is amended to read as follows:

Sec. 61.303. EXEMPTIONS. (a) Unless specifically

1 provided otherwise, the ~~[The]~~ provisions of this subchapter do not
2 ~~[in any way]~~ apply to an institution that ~~[which]~~ is fully
3 accredited by, and is not operating under sanctions imposed by, a
4 recognized accrediting agency, or an institution or degree program
5 that has received approval by a state agency authorizing the
6 institution's graduates to take a professional or vocational state
7 licensing examination administered by that agency. The granting of
8 permission by a state agency to a graduate of an institution to take
9 a licensing examination does not by itself constitute approval of
10 the institution or degree program required for an exemption under
11 this subsection.

12 (b) The exemptions provided by Subsection (a) apply only to
13 the degree level for which an institution is accredited, and if an
14 institution offers to award a degree at a level for which it is not
15 accredited, the exemption does not apply.

16 (c) The board may issue to an ~~[An]~~ exempt institution or
17 person ~~[may be issued]~~ a certificate of authorization to grant
18 degrees. The board may adopt rules regarding a process to allow an
19 exempt institution or person to apply for and receive a certificate
20 of authorization under this section.

21 (d) The board by rule may require an exempt institution or
22 person to ensure that the financial resources and financial
23 stability of the institution or person are adequate to provide
24 education of a good quality and to fulfill the institution's or
25 person's commitments to its enrolled students and may require the
26 institution or person to provide to the board documentation of the
27 institution's or person's compliance with those requirements.

1 Rules adopted under this subsection must:

2 (1) require the institution or person to maintain
3 reserves, lines of credit, or surety instruments that, when
4 combined with tuition and fee receipts, are sufficient to allow the
5 institution or person to fulfill its educational obligations to its
6 enrolled students if the institution or person is unable to
7 continue to provide instruction to its enrolled students for any
8 reason; and

9 (2) require that the financial resources maintained
10 under Subdivision (1) be conditioned to allow only the board to
11 withdraw funds for the benefit of the institution's or person's
12 enrolled students under the circumstance described by Subdivision
13 (1).

14 (e) To enable the board to verify the conditions under which
15 a certificate of authorization issued under this section is held,
16 the board by rule may require an exempt institution or person to
17 report to the board on a continuing basis other appropriate
18 information in addition to the documentation required under
19 Subsection (d).

20 (f) An exempt institution or person continues [would
21 continue] in that status only if the institution or person
22 maintains [so long as it maintained] accreditation by, and is not
23 operating under sanctions imposed by, a recognized accrediting
24 agency or otherwise meets [met] the provisions of Subsection (a).

25 (g) [~~e~~] The board by rule shall provide for due process
26 and shall provide procedures for revoking or placing conditions on
27 the exemption status of an institution or person or for revoking or

1 placing conditions on a previously issued certificate of
2 authorization.

3 (h) Under the rules described by Subsection (g), the board
4 may revoke or place conditions on an institution's or person's
5 exemption status or certificate of authorization only if the board
6 has reasonable cause to believe that the institution or person has
7 violated this subchapter or any rule adopted under this subchapter.

8 (i) Before revoking or placing conditions on an
9 institution's or person's exemption status or certificate of
10 authorization under Subsection (h), the board must provide to the
11 institution or person written notice of the board's impending
12 action and include the grounds for that action.

13 (j) If the board places conditions on an institution's or
14 person's exemption status or certificate of authorization under
15 Subsection (h), until the board removes the conditions, the board
16 may reexamine the applicable institution or person at least twice
17 annually following the date the board provided notice under
18 Subsection (i).

19 (k) [~~(f)~~] A private postsecondary educational institution
20 may not establish or operate a branch campus, extension center, or
21 other off-campus unit in Texas except as provided by this
22 subsection or the rules of the board. This subsection does not
23 apply to a private or independent institution of higher education
24 as defined by Section 61.003.

25 SECTION 3. Subchapter G, Chapter 61, Education Code, is
26 amended by adding Section 61.3075 to read as follows:

27 Sec. 61.3075. REQUIRED FINANCIAL RESOURCES. The board by

1 rule may require an institution operating under a certificate of
2 authority, or seeking to operate under a certificate of authority,
3 to ensure that the financial resources and financial stability of
4 the institution are adequate to provide education of a good quality
5 and to fulfill the institution's commitments to its enrolled
6 students and may require the institution to provide to the board
7 documentation of the institution's compliance with those
8 requirements. Rules adopted under this subsection must:

9 (1) require the institution to maintain reserves,
10 lines of credit, or surety instruments that, when combined with
11 tuition and fee receipts, are sufficient to allow the institution
12 to fulfill its educational obligations to its enrolled students if
13 the institution is unable to continue to provide instruction to its
14 enrolled students for any reason; and

15 (2) require that the financial resources maintained
16 under Subdivision (1) be conditioned to allow only the board to
17 withdraw funds for the benefit of the institution's enrolled
18 students under the circumstance described by Subdivision (1).

19 SECTION 4. Section 61.315, Education Code, is amended to
20 read as follows:

21 Sec. 61.315. AGENTS AND RECORDS; ACADEMIC RECORDS
22 REPOSITORY. (a) The authorized or certified institutions may be
23 required to provide [furnish] a list of their agents to the board,
24 and to maintain in a manner specified by the board the academic
25 records of enrolled or former students [enrolled], including
26 records of credits [awarded,] and degrees awarded, and provide
27 those records to the board on request [in a manner specified by the

1 board].

2 (b) The board may maintain a repository for academic records
3 from closed institutions that were exempt or were authorized to
4 operate under a certificate of authorization or certificate of
5 authority. The board may discontinue its maintenance of the
6 repository if adequate funding is not provided for that
7 maintenance. The academic records repository is considered to be a
8 repository of last resort. If a closed institution is part of a
9 larger educational system or corporation, that system or
10 corporation shall maintain the academic records. If students of
11 the closed institution transfer to another institution through an
12 agreement between the institutions to continue the students' degree
13 programs, the institution responsible for accepting the
14 transferring students shall maintain those academic records.

15 SECTION 5. Section 61.316, Education Code, is amended by
16 adding Subsection (e-1) to read as follows:

17 (e-1) Any authorized or certified institution that fails to
18 maintain in a manner specified by the board the academic records of
19 enrolled or former students, including records of credits and
20 degrees awarded, or that fails to protect the personally
21 identifiable information of enrolled or former students shall be
22 assessed an administrative penalty of not less than \$100 or more
23 than \$500 for each student whose academic record was not maintained
24 or whose personally identifiable information was not protected.

25 SECTION 6. Subchapter S, Chapter 61, Education Code, is
26 amended by adding Section 61.835 to read as follows:

27 Sec. 61.835. TRANSFERABLE COLLEGE CREDIT FOR HEROES

1 CURRICULA. (a) To promote the purposes of the College Credit for
2 Heroes program established under Section 302.0031, Labor Code, the
3 board, in consultation with the Texas Workforce Commission, the
4 Texas Veterans Commission, and institutions of higher education,
5 shall:

6 (1) develop standardized curricula within degree and
7 certificate programs commonly offered by institutions of higher
8 education toward which qualified veterans or military service
9 members may be awarded appropriate academic credit for experience,
10 education, and training earned during military service; and

11 (2) require the transferability between institutions
12 of higher education of course credit for curricula developed under
13 this section that is awarded to qualified veterans or military
14 service members.

15 (b) The board shall adopt rules for the administration of
16 this section.

17 SECTION 7. The Texas Higher Education Coordinating Board
18 shall adopt the rules required by Subchapter G, Chapter 61,
19 Education Code, as amended by this Act, as soon as practicable after
20 the effective date of this Act.

21 SECTION 8. The Texas Higher Education Coordinating Board
22 shall adopt the initial rules required by Section 61.835, Education
23 Code, as added by this Act, not later than May 1, 2018.

24 SECTION 9. This Act takes effect only if a specific
25 appropriation for the implementation of the Act is provided in a
26 general appropriations act of the 85th Legislature.

27 SECTION 10. This Act takes effect September 1, 2017.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 1781 passed the Senate on April 25, 2017, by the following vote: Yeas 29, Nays 2; and that the Senate concurred in House amendments on May 27, 2017, by the following vote: Yeas 28, Nays 3.

Secretary of the Senate

I hereby certify that S.B. No. 1781 passed the House, with amendments, on May 23, 2017, by the following vote: Yeas 97, Nays 46, three present not voting.

Chief Clerk of the House

Approved:

Date

Governor