

## **BILL ANALYSIS**

Senate Research Center

H.B. 1985  
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Education  
5/8/2001  
Engrossed

### **DIGEST AND PURPOSE**

In 1972, the Texas Legislature enacted the Texas Proprietary School Act to provide protection for students in proprietary schools and to provide certification and regulation of the schools. Because of changes that have occurred over the past 30 years there is a need to update the Act to better protect the students. H.B. 1985 makes revisions to the law governing the regulation of proprietary schools.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Sections 132.001(2), (5), and (11), Education Code, to redefine “owner,” “agency administrator,” and “commission.”

SECTION 2. Amends the heading to Section 132.021, Education Code, to read as follows:

Sec. 132.021. TEXAS WORKFORCE COMMISSION.

SECTION 3. Amends Section 132.056(d), Education Code, to require the Texas Workforce Commission (commission) to reexamine the premises of the school as frequently as the commission considers necessary and renew, revoke, or deny renewal of the school’s certificate of approval.

SECTION 4. Amends Section 132.060(a), Education Code, to require the bond to be in the penal sum of \$5,000, or a multiple of \$5,000 that is not greater than \$35,000 for a certificate of approval issued for a period that begins in the fiscal year ending August 31, 2002, and \$50,000 for a certificate of approval issued for a period that begins on or after September 1, 2002, rather than \$25,000.

SECTION 5. Amends Section 132.061(b), Education Code, to set forth the minimum refund of tuition and fees for a student who terminates or withdraws from a residence course of not more than 12 months in length. Makes a nonsubstantive change.

SECTION 6. Amends the heading to Section 132.064, Education Code, to read as follows:

Sec. 132.064. NONQUALIFICATION AS SMALL PROPRIETARY SCHOOL.

SECTION 7. Amends Section 132.151, Education Code, to prohibit a person from soliciting prospective students for or on behalf of a proprietary school without being registered as a representative of the proprietary school as required by this chapter.

SECTION 8. Amends Section 132.201, Education Code, by amending Subsection (e) and adding Subsection (i), as follows:

(e) Increases the fee for an investigation at a proprietary school to resolve a complaint filed against the school from \$400 to \$600.

(i) Authorizes the commission to charge each proprietary school a fee for the cost of a service that collects, analyzes, and reports student-level data in order to assess the outcome of students who attend proprietary schools. Requires the total amount of the fees charged under this subsection to not exceed the cost of the service to the commission.

SECTION 9. Amends Section 132.242(e), Education Code, to increase the maximum amount of the refunds required to be paid from the proprietary school tuition protection fund from \$25,000 to \$50,000.

SECTION 10. (a) Effective date: September 1, 2001.

(b), (c), and (d) Make application of this Act prospective.