

BILL ANALYSIS

Senate Research Center
2001S0870/2

C.S.S.B. 1205
By: Jackson
Education
3/28/2001
Committee Report (Substituted)

DIGEST AND PURPOSE

Section 132.001 of the Texas Proprietary School Act defines the term “proprietary school” to mean “any business enterprise...that maintains a place of business within this state, or that solicits business within this state...” and that offers “a course or courses of instruction or study...for the purpose of preparing a person for a new field of endeavor in a business, trade, technical, or industrial occupation or for avocational or personal improvement.” Although the definition of the term “proprietary school” in the regulations of the Texas Workforce Commission (TWC) is consistent with the statutory definition, TWC further defines “seminars and workshops” as “a course of instruction that enhances a student’s career, in addition to a program that teaches skills and fundamental knowledge required for a state occupation.” C.S.S.B. 1205 makes it clear that a short course of instruction of 24 classroom hours or less, and for which the tuition or fee is less than \$500, is exempt from regulation under Section 132.001 of the Education Code provided that the course meets certain conditions.

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 Chapter 132A, Education Code, by adding Section 132.003, as follows:

Sec. 132.003. EXEMPTION: ENHANCED CAREER SKILLS OR RECREATIONAL OR AVOCATIONAL COURSES. (a) Provides that a course of instruction is exempt from this chapter and is not within the definition of “proprietary school” under certain conditions.

(b) Provides that a general refund policy that provides for a full refund of fees at any time before the date the course begins satisfies the requirements of Subsection (a)(6)(A), if the general refund policy is made available in writing to registrants or potential registrants not later than the 14th day before the date the course begins.

(c) Provides that if within the required three-year record retention period the Texas Employment Commission (commission) requests the production of records required under Subsection (a), a failure to produce the records for the commission by the person claiming an exemption for the course creates a rebuttable presumption that the course is not exempt from this chapter.

(d) Provides that a course of instruction that is otherwise exempt under Section 132.002 is not required to comply with the requirements of this section in order to qualify for an exemption from the definition of “proprietary school.”

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2001.

SUMMARY OF COMMITTEE CHANGES

Differs from the original in SECTION 1, as follows:

- (a) Changes the length of a course from 40 classroom hours to 24 classroom hours and the fee for a course from being less than \$1,000 to less than \$500 in order for the course of instruction to be exempt from the definition of “proprietary school.” Further differs from original by adding language relating to another reason for exemption from the definition of “proprietary school” to include a written description of the refund policy being made available to registrants.
- (b) Changes the language relating to the general refund policy satisfying the requirements of Subsection (a)(6)(A) if the policy is made available in writing to registrants or potential registrants not later than the 14th day before the date the course begins.
- (d) Changes the language to provide that a course of instruction that is otherwise exempt under Section 132.002 is not required to comply with the requirements of this section in order to qualify for an exemption from the definition of “proprietary school.”