

BILL ANALYSIS

Senate Research Center
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S.B. 1655
By: West
Higher Education
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Prior to the revision of Chapter 7 rules, the Texas Higher Education Coordinating Board staff collected funds regularly from the private postsecondary institutions operating under Certificates of Authority. With the recognition of additional national accreditors, the vast majority of institutions now operate under a Certificate of Authorization instead. The agency is not authorized to collect fees from certificate of authorization institutions. The division has had to absorb the cost of operating the approval processes for these institutions under general revenue funds. This has resulted in an inordinate and uncompensated workload, and reduced resources for other THECB division responsibilities.

Institutions have expressed the need for a repository of standardized transcripts in the event that a career college goes out of business or withdraws from the state. S.B. 1655 provides legislative authority to collect fees from private postsecondary institutions pursuing a certificate of authorization and to address the cost of a student transcript repository for closed institutions.

S.B. 1655 authorizes THECB to by rule establish a fee to be charged to cover the costs of issuing, maintaining or revising a certificate of authorization or certificate of authority, and for maintaining a repository for student transcripts for closed institutions.

As proposed, S.B. 1655 amends current law relating to Texas Higher Education Coordinating Board fees for the administration of certificates of authorization and certificates of authority issued to certain postsecondary educational institutions, and authorizes fees.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Higher Education Coordinating Board in SECTION 1 (Section 61.303, Education Code) and SECTION 3 (Section 61.4031, Education Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 61.303, Education Code, by adding Subsections (g) and (h), as follows:

(g) Requires the Texas Higher Education Coordinating Board (THECB) by rule to establish a fee to be charged by THECB to cover all or a portion of THECB's costs associated with:

(1) issuing, maintaining, or revising a certificate of authorization or certificate of authority; and

(2) maintaining a repository for student transcripts from closed institutions that were authorized to operate under a certificate of authorization or certificate of authority.

(h) Prohibits the amount of a fee established under Subsection (g) from exceeding the following:

- (1) \$1,500 for an initial approval;
- (2) \$750 for an annual review;
- (3) \$250 for an institution name change;
- (4) \$250 for a degree, program, or credential-level change;
- (5) \$250 for a new degree, program, or credential level;
- (6) \$500 for an accrediting agency change; or
- (7) \$500 for an ownership or governance change.

SECTION 2. Amends Section 61.315, Education Code, as follows:

Sec. 61.315. New heading: AGENTS AND RECORDS; TRANSCRIPT REPOSITORY AND RELATED FEES. (a) Creates this subsection from existing text and makes no further change.

(b) Requires THECB to maintain a repository for student transcripts from closed institutions that were authorized to operate under a certificate of authorization or certificate of authority using fees received by THECB from institutions operating under those certificates as part of the institutions' initial and ongoing authorization to operate. Authorizes THECB, if those fees are not sufficient to cover the cost of maintaining the repository, to discontinue its maintenance of the repository, unless adequate state funding is provided for that maintenance. Authorizes THECB to charge a fee to students requesting transcript copies maintained in the repository, not to exceed the cost of retrieving, reproducing, and sending the transcript copies. Requires that a closed or closing institution provide its student transcript records to THECB in the format specified by THECB for inclusion in the repository.

SECTION 3. Amends Subchapter H, Chapter 61, Education Code, by adding Section 61.4031, as follows:

Sec. 61.4031. CERTIFICATE OF AUTHORIZATION OR AUTHORITY FEE. (a) Authorizes THECB to by rule establish a fee to be charged by THECB to cover all or a portion of THECB's costs associated with:

- (1) issuing, maintaining, or revising a certificate of authorization or certificate of authority issued under a rule adopted under this subchapter; and
- (2) maintaining a repository for student transcripts from closed institutions that were authorized to operate under a certificate of authorization or certificate of authority issued under a rule adopted under this subchapter.

(b) Prohibits the amount of fees established under this section from exceeding the following:

- (1) \$1,500 for an initial approval;
- (2) \$750 for an annual review;
- (3) \$250 for an institution name change;
- (4) \$250 for a degree, program, or credential-level change;
- (5) \$250 for a new degree, program, or credential level;

(6) \$500 for an accrediting agency change; or

(7) \$500 for an ownership or governance change.

SECTION 4. Effective date: upon passage or September 1, 2015.