

EDUCATION CODE

TITLE 3. HIGHER EDUCATION

SUBTITLE G. NON-BACCALAUREATE SYSTEM

CHAPTER 132. CAREER SCHOOLS AND COLLEGES

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 132.001. DEFINITIONS. In this chapter:

(1) "Career school or college":

(A) means any business enterprise operated for a profit or on a nonprofit basis that maintains a physical place of business within this state or solicits business within this state, that is not specifically exempted by this chapter, and:

(i) that offers or maintains a course or courses of instruction or study; or

(ii) at which place of business such a course or courses of instruction or study are available through classroom instruction or by distance education, or both, to a person for the purpose of training or preparing the person for a field of endeavor in a business, trade, technical, or industrial occupation, or for avocational or personal improvement; and

(B) does not include a school or educational institution that:

(i) is physically located in another state;

(ii) is legally authorized by the state of its physical location to offer postsecondary education and award degrees;

(iii) is accredited by a regional or national accrediting organization recognized by the United States secretary of education under the Higher Education Act of 1965 (20 U.S.C. Section 1001 et seq.); and

(iv) offers in this state only postsecondary distance or correspondence programs of instruction.

(1-a) "Class" or "course" means an identifiable unit of instruction that is part of a program of instruction.

(1-b) "Course time" means a course or class period as follows:

(A) a 50-minute to 60-minute lecture, recitation, or class, including a laboratory class or shop training, in a 60-minute period;

(B) a 50-minute to 60-minute internship in a 60-minute period; or

(C) 60 minutes of preparation in asynchronous distance education.

(2) "Owner" of a career school or college means:

(A) in the case of a career school or college owned by an individual, that individual;

(B) in the case of a career school or college owned by a partnership, all full, silent, and limited partners;

(C) in the case of a career school or college owned by a corporation, the corporation, its directors, officers, and each shareholder owning shares of issued and outstanding stock aggregating at least 10 percent of the total of the issued and outstanding shares;

(D) in the case of a career school or college in which the ownership interest is held in trust, the beneficiary of that trust; or

(E) in the case of a career school or college owned by another legal entity, a person who owns at least 10 percent ownership interest in the entity.

(3) "School employee" means any person, other than an owner, who directly or indirectly receives compensation from a career school or college for services rendered.

(4) "Representative" means a person employed by a career school or college to act as an agent, solicitor, broker, or independent contractor to directly procure students for the school or college by solicitation within this state at any place.

(5) "Agency administrator" means the agency administrator of the Texas Workforce Commission or a person, knowledgeable in the administration of regulating career schools and colleges, designated by the agency administrator to administer this chapter.

(6) "Notice to the career school or college" means written correspondence sent to the address of record for legal

service contained in the application for a certificate of approval. "Date of Notice" means the date the notice is mailed by the commission.

(7) "Support" or "supported" means the primary source and means by which a career school or college derives revenue to perpetuate its operation.

(8) "Person" means any individual, firm, partnership, association, corporation, limited liability company, or other private entity or combination.

(9) "Unearned tuition" means total tuition and fees subject to refund under Section [132.061](#).

(10) "Small career school or college" means a career school or college that does not receive any payment from federal funds under 20 U.S.C. Section 1070 et seq. and its subsequent amendments or a prepaid federal or state source as compensation in whole or in part for any student tuition and fees or other charges and either:

(A) has an annual gross income from student tuition and fees that is less than or equal to \$100,000 for programs regulated by the agency;

(B) exclusively offers programs to assist students to prepare for an undergraduate or graduate course of study at a college or university; or

(C) exclusively offers programs to assist students, who have obtained, or who are in the process of obtaining, degrees after completing an undergraduate or graduate course of study at a college or university, to prepare for an examination.

(11) "Commission" means the Texas Workforce Commission.

(12) "Division" means the division of education of the commission.

(13) "Distance education" means a formal education process in which:

(A) the student and instructor are separated by physical distance; and

(B) a variety of communication technologies may be used to deliver synchronous or asynchronous instruction to the

student.

(14) "Program" or "program of instruction" means a postsecondary program of organized instruction or study that may lead to an academic, professional, or vocational degree, certificate, or other recognized educational credential.

(15) "Postsecondary program" means a program that requires a student to have a high school diploma or high school equivalency certificate, or requires that the person be beyond the age of compulsory education. A program of instruction in yoga or that trains persons to teach yoga is not considered a postsecondary program.

Added by Acts 1971, 62nd Leg., p. 2007, ch. 620, Sec. 1, eff. June 4, 1971. Amended by Acts 1973, 63rd leg., p. 1264, ch. 463, Sec. 1, eff. June 14, 1973; Acts 1989, 71st Leg., ch. 813, Sec. 4.01, eff. Sept. 1, 1989; Acts 1993, 73rd Leg., ch. 1010, Sec. 1, eff. Aug. 30, 1993. Redesignated from Education Code Sec. 32.11 and amended by Acts 1995, 74th Leg., ch. 260, Sec. 2, eff. May 30, 1995. Amended by Acts 1995, 74th Leg., ch. 655, Sec. 11.33, eff. Sept. 1, 1995; Acts 2001, 77th Leg., ch. 1064, Sec. 1, eff. Sept. 1, 2001; Acts 2003, 78th Leg., ch. 364, Sec. 1.01, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 817, Sec. 8.01, eff. Sept. 1, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 747 (H.B. [2806](#)), Sec. 1, eff. September 1, 2005.

Acts 2011, 82nd Leg., R.S., Ch. 1246 (S.B. [1534](#)), Sec. 2, eff. September 1, 2011.

Acts 2011, 82nd Leg., R.S., Ch. 1337 (S.B. [1176](#)), Sec. 1, eff. September 1, 2011.

Sec. 132.0015. REFERENCE TO PROPRIETARY SCHOOL. A reference in this code or another law to a proprietary school means a career school or college.

Added by Acts 2003, 78th Leg., ch. 364, Sec. 1.02, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 817, Sec. 8.02, eff. Sept. 1, 2003.

Sec. 132.002. EXEMPTIONS. (a) The following schools or educational institutions may be exempted from this chapter by the

commission under Subsection (d):

(1) a school or educational institution supported by taxation from either a local or state source;

(2) a nonprofit school owned, controlled, operated, and conducted by a bona fide religious, denominational, eleemosynary, or similar public institution exempt from property taxation under the laws of this state;

(3) a school or training program that offers instruction of purely avocational or recreational subjects as determined by the commission;

(4) a course or courses of instruction or study sponsored by an employer for the training and preparation of its own employees, and for which no tuition fee is charged to the student;

(5) a course or courses of study or instruction sponsored by a recognized trade, business, or professional organization for the instruction of the members of the organization with a closed membership;

(6) a private college or university that awards a recognized baccalaureate, or higher degree, and that maintains and operates educational programs for which a majority of the credits given are transferable to a college, junior college, or university supported entirely or partly by taxation from either a local or state source;

(7) a school or course that is otherwise regulated and approved under and pursuant to any other law or rulemaking process of this state or approved for continuing education credit by an organization that accredits courses for the maintenance of a license, except as provided by Subsection (c);

(8) an aviation school or instructor approved by and under the supervision of the Federal Aviation Administration;

(9) a school that offers intensive review of a student's acquired education, training, or experience to prepare the student for an examination, other than a high school equivalency examination, that the student by law may not take unless the student has completed or substantially completed a particular degree program, or that the student is required to take as a precondition for enrollment in or admission to a particular

degree program;

(10) a private school offering primary or secondary education, which may include a kindergarten or prekindergarten program, and that satisfies the compulsory attendance requirements of Section 25.085 pursuant to Section 25.086(a)(1);

(11) a course or courses of instruction by bona fide electrical trade associations for the purpose of preparing students for electrical tests required for licensing and for the purpose of providing continuing education to students for the renewal of electrical licenses;

(12) a nonprofit arts organization that has as its primary purpose the provision of instruction in the dramatic arts and the communications media to persons younger than 19 years of age;

(13) a course or training program conducted by a nonprofit association of air conditioning and refrigeration contractors approved by the Air Conditioning and Refrigeration Contractors Advisory Board to provide instruction for technical, business, or license examination preparation programs relating to air conditioning and refrigeration contracting, as that term is defined by Chapter 1302, Occupations Code;

(14) a course of instruction by a plumbing trade association to prepare students for a plumbing test or program required for licensing, certification, or endorsement or to provide continuing education approved by the Texas State Board of Plumbing Examiners; and

(15) a course of instruction in the use of technological hardware or software if the course is offered to a purchaser of the hardware or software or to the purchaser's employee by a person who manufactures and sells, or develops and sells, the hardware or software, and if the seller is not primarily in the business of providing courses of instruction in the use of the hardware or software, as determined by the commission.

(b) Schools offering a course or courses of special study or instruction financed or subsidized by local, state, or federal funds or by any person, firm, association, or agency other than the student involved, on a contract basis and having a closed

enrollment, may apply to the commission for exemption of such course or courses from this chapter and such course or courses may be declared exempt by the commission where the commission finds the course or courses to be outside the purview of this chapter.

(c) If a state agency that issues a license or other authorization for the practice of an occupation elects not to regulate or approve course hours that exceed the minimum education requirements for the issuance of the license or other authorization, the licensing agency shall enter into a memorandum of understanding with the commission for the regulation of those excess course hours under this chapter. Any course taught under a letter of approval or other written authorization issued by the licensing agency before the effective date of the memorandum is authorized under state law until the course is reviewed by the commission. The licensing agency may terminate the memorandum of understanding on notice to the commission.

(d) Except as provided by Subsection (g), a school or educational institution is exempt from regulation under this chapter only if:

(1) the owner of the school or educational institution:

(A) applies to the commission for an exemption under this section; and

(B) provides to the commission any information considered necessary by the commission to support the owner's application for an exemption; and

(2) the commission declares that the school or educational institution is exempt after finding that the school or institution is a school or institution listed in Subsection (a).

(d-1) A school or educational institution exempted from this chapter is authorized to offer training in this state allowed by the exemption.

(e) After a school or educational institution is declared exempt by the commission under this section, the commission may inspect the school or institution or require the owner of the school or institution to provide any information the commission considers necessary for the commission to ensure the school or institution's

continued compliance with the requirements of the exemption.

(f) A school or educational institution listed in Subsection (a) may seek a certificate of approval under Subchapter C.

(g) An institution of higher education or a private or independent institution of higher education, as defined by Section 61.003, that was exempt from regulation under this chapter before September 1, 2003, remains exempt from regulation under this chapter and is not required to comply with this section.

(h) A school or educational institution that participates or intends to participate in student financial aid programs under Title IV, Higher Education Act of 1965 (20 U.S.C. Section 1070 et seq.), may not be exempted from this chapter by the commission on the basis of Subsection (a)(2) unless the school or institution demonstrates to the commission that:

(1) either:

(A) the school or institution is accredited by a regional or national accrediting organization recognized by the United States secretary of education; or

(B) the school or institution, or the primary campus of the school or institution, has been operating continuously in this state for at least 20 years in compliance with state career school regulatory requirements, regardless of the amount of time the current owner has owned the school or institution; or

(2) the school or institution:

(A) is owned, controlled, operated, and maintained by a religious organization lawfully operating as a nonprofit religious corporation; and

(B) awards only degrees or certificates relating to religion, including a certificate of Talmudic studies, an associate of biblical studies degree, a master of divinity degree, or a doctor of divinity degree.

(i) For purposes of Subsection (h)(1)(B), "primary campus" means, for two or more schools or educational institutions that are owned and operated by the same owner, the school or educational institution designated by the owner as the main or principal

campus.

(j) A school or educational institution may demonstrate compliance with Subsection (h):

(1) through the application process under Subsection (d); or

(2) if the school or institution has previously been granted an exemption from this chapter and the most recent exemption was granted before June 30, 2013, by an affidavit submitted to the commission by the owner of the school or institution.

(k) The Texas Higher Education Coordinating Board shall take appropriate action, including by making appropriate referrals to an accrediting agency or to the attorney general, to address any complaint received by the coordinating board from a student or prospective student of a school or institution to which Subsection (h) applies that is:

(1) exempted from this chapter on the basis of Subsection (a)(2); and

(2) subject to regulation by the coordinating board.

Added by Acts 1971, 62nd Leg., p. 2007, ch. 620, Sec. 1, eff. June 4, 1971. Amended by Acts 1972, 62nd Leg., 4th C.S., p. 15, ch. 1, Sec. 1, eff. Oct. 17, 1972; Acts 1973, 63rd Leg., p. 1264, ch. 463, Sec. 2, eff. June 14, 1973; Acts 1977, 65th Leg., p. 1075, ch. 392, Sec. 1, eff. Aug. 29, 1977; Acts 1989, 71st Leg., ch. 813, Sec. 4.02, eff. Sept. 1, 1989; Acts 1993, 73rd Leg., ch. 1010, Sec. 9, 10, eff. Aug. 30, 1993. Redesignated from Education Code Sec. 32.12 and amended by Acts 1995, 74th Leg., ch. 260, Sec. 2, eff. May 30, 1995. Amended by Acts 1995, 74th Leg., ch. 655, Sec. 11.34, eff. Sept. 1, 1995; Acts 1999, 76th Leg., ch. 1075, Sec. 1, eff. Sept. 1, 1999; Acts 2003, 78th Leg., ch. 364, Sec. 1.03, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 817, Sec. 8.03, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 1276, Sec. 14A.770, eff. Sept. 1, 2003.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 974 (H.B. 2000), Sec. 1, eff. June 14, 2013.

Sec. 132.003. COURSE EXEMPTION: DEVELOPMENT OF CAREER

SKILLS; RECREATIONAL OR AVOCATIONAL SUBJECTS. (a) Except as provided by Subsection (f), a course of instruction is exempt from this chapter if:

(1) the length of the course is 24 classroom hours or less;

(2) the fee for the course is less than \$500;

(3) the course is designed to teach:

(A) knowledge or skills to maintain or enhance a person's competency or performance in a business, trade, or occupation; or

(B) recreational or avocational subjects;

(4) on completion of the course, there is not an award of any credits or units toward the completion of another course of instruction of more than 24 classroom hours;

(5) the person offering the course makes available to registrants a written description of the course content and any refund policy not later than the 14th day before the date the course begins;

(6) the person offering the course offers in writing as required by Subdivision (5) a refund of the course fee to any registrant who:

(A) completes at least eight classroom hours or one-half of the course, whichever is less;

(B) is dissatisfied with the course; and

(C) requests a refund and provides in writing to the person a reasonable basis for the registrant's dissatisfaction not later than the 14th day after the date the course is concluded;

(7) for a course in which the instructor or the instructor's qualifications are different from the instructor or the instructor's qualifications stated in any advertising, publicity, or solicitation for the course, the person offering the course:

(A) offers in writing as required by Subdivision (5) a refund of the course fee to any registrant who, before the course begins, notifies the person that the registrant elects not to attend and requests a refund; and

(B) for the three-year period following the date

the course is concluded, maintains records sufficient to identify the differences between advertised instructors and their qualifications and actual instructors and their qualifications; and

(8) for the three-year period following the date the course is concluded, the person offering the course maintains a record of:

- (A) attendance of registrants;
- (B) fees paid by registrants; and
- (C) refunds paid to registrants.

(b) A general refund policy that provides for a full refund of fees at any time before the course begins satisfies the requirements of Subsection (a)(7)(A), if the general refund policy is made available in writing to registrants or potential registrants as required by Subsection (a)(5).

(c) If within the three-year record retention period the 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 legal presumption that the course is not exempt from this chapter.

(d) A course of instruction that is otherwise exempt under Section 132.002 is not required to comply with the requirements of this section to qualify for an exemption from this chapter.

(e) In case of any conflict between the refund policy requirements of this section and the refund policy requirements of Section 132.061, this section prevails.

(f) A course of instruction is not exempt under this section if the course is designed to teach or is represented by the person offering the course as teaching knowledge of building, electrical, plumbing, mechanical, fire, or other similar technical codes applicable to the construction, remodeling, or repair of a home, building, or any other structure or improvement to real property in this state.

Added by Acts 2001, 77th Leg., ch. 750, Sec. 1, eff. Sept. 1, 2001.

Sec. 132.004. EXCLUSIVE OFFERING OF EXEMPTED COURSES OR

PROGRAMS BY BUSINESS ENTERPRISE. A business enterprise that offers exclusively courses or programs of instruction that are exempt under Section 132.002 or 132.003 is exempt from this chapter.

Added by Acts 2001, 77th Leg., ch. 750, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2005, 79th Leg., Ch. 747 (H.B. 2806), Sec. 2, eff. September 1, 2005.

Sec. 132.005. APPLICABILITY. This chapter does not apply to a school or training program that offers only avocational or recreational instruction or teacher instruction for the following subjects:

- (1) dance;
- (2) music;
- (3) martial arts;
- (4) yoga;
- (5) physical fitness;
- (6) horseback riding;
- (7) riflery or other weapon use;
- (8) sewing, knitting, or other needlecrafts; or
- (9) sports.

Added by Acts 2011, 82nd Leg., R.S., Ch. 293 (H.B. 1839), Sec. 1, eff. June 17, 2011.

SUBCHAPTER B. GENERAL POWERS AND DUTIES

Sec. 132.021. TEXAS WORKFORCE COMMISSION. (a) The commission shall exercise jurisdiction and control of the system of career schools and colleges, and the commission shall carry out supervision of the provisions of this chapter, and enforce minimum standards for approval of career schools and colleges under the operating regulations and policies hereinafter set forth and as may be adopted pursuant to this chapter.

(b) Repealed by Acts 2005, 79th Leg., Ch. 747, Sec. 12, eff. September 1, 2005.

(c) The commission may consult a recognized expert in a field of study for assistance in determining minimum program

standards under this chapter for that field.

(d) The commission shall adopt policies and rules necessary for carrying out this chapter.

Added by Acts 1971, 62nd Leg., p. 2008, ch. 620, Sec. 1, eff. June 4, 1971. Amended by Acts 1989, 71st Leg., ch. 813, Sec. 4.03, eff. Sept. 1, 1989. Redesignated from Education Code Sec. 32.21, 32.22 and amended by Acts 1995, 74th Leg., ch. 260, Sec. 2, eff. May 30, 1995. Amended by Acts 1995, 74th Leg., ch. 655, Sec. 11.35, eff. Sept. 1, 1995; Acts 2001, 77th Leg., ch. 1064, Sec. 2, eff. Sept. 1, 2001; Acts 2003, 78th Leg., ch. 364, Sec. 2.09, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 817, Sec. 8.24, eff. Sept. 1, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 747 (H.B. [2806](#)), Sec. 12, eff. September 1, 2005.

Sec. 132.022. DUTIES OF COMMISSION. The commission shall carry out the policies of this chapter and enforce the rules adopted under this chapter. The commission shall also certify the names of those career schools and colleges meeting the requirements for a certificate of approval.

Added by Acts 1971, 62nd Leg., p. 2009, ch. 620, Sec. 1, eff. June 4, 1971. Redesignated from Education Code Sec. 32.24 and amended by Acts 1995, 74th Leg., ch. 260, Sec. 2, eff. May 30, 1995. Amended by Acts 1995, 74th Leg., ch. 655, Sec. 11.36, eff. Sept. 1, 1995; Acts 2003, 78th Leg., ch. 364, Sec. 2.10, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 817, Sec. 8.25, eff. Sept. 1, 2003.

Sec. 132.0225. DIVISION OF EDUCATION. To the extent possible, the agency administrator and commission shall administer their functions under this chapter through the division.

Added by Acts 1995, 74th Leg., ch. 260, Sec. 2, eff. May 30, 1995.

Sec. 132.023. MEMORANDUM OF UNDERSTANDING FOR REGULATION OF CAREER SCHOOLS AND COLLEGES. (a) The commission shall develop, in consultation with the Texas Guaranteed Student Loan Corporation and each state agency that regulates career schools and colleges in this state, a comprehensive strategy to reduce default rates at the

regulated career schools and colleges and to improve the overall quality of the programs operated by these schools and colleges.

(b) The commission shall execute a memorandum of understanding outlining the strategy with the corporation and each state agency regulating career schools and colleges and shall adopt rules to carry out the commission's duties under this section. The Texas Guaranteed Student Loan Corporation shall adopt the memorandum of understanding as procedures of the corporation, and each agency by rule shall adopt the memorandum of understanding.

(c) The memorandum of understanding shall:

(1) require the development and monitoring of indicators that identify career schools and colleges that have excessive loan default rates, poor program performance, or both;

(2) require the sharing of specific information relating to the indicators between the commission and the Texas Guaranteed Student Loan Corporation or other agency; and

(3) require the application of specific sanctions by the commission or by the Texas Guaranteed Student Loan Corporation or other agency, as appropriate, to lower the default rates, improve program performance, or both.

(d) If the commission enters into a memorandum of understanding with the Texas Guaranteed Student Loan Corporation related to the regulation of career schools and colleges, the commission may require each career school or college governed by this chapter to provide information to the commission that is necessary for the purposes of the memorandum of understanding.

Added by Acts 1989, 71st Leg., ch. 813, Sec. 4.05, eff. Sept. 1, 1989. Redesignated from Education Code Sec. 32.25 and amended by Acts 1995, 74th Leg., ch. 260, Sec. 2, eff. May 30, 1995. Amended by Acts 1995, 74th Leg., ch. 655, Sec. 11.37, eff. Sept. 1, 1995; Acts 2003, 78th Leg., ch. 364, Sec. 2.11, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 817, Sec. 8.26, eff. Sept. 1, 2003.

Sec. 132.024. STUDENT INFORMATION; OFFENSE; PENALTY. (a) In this section:

(1) "Student" means any prospective, current, or former student of:

(A) a career school or college; or

(B) any other school, educational institution, or business entity from which the commission receives, or regarding which the commission reviews, information through its administration or enforcement of this chapter.

(2) "Student information" means identifying information in the commission's possession regarding a student. The term includes:

(A) a student's name, address, telephone number, social security number, e-mail address, or date of birth;

(B) any other identifying number or other information that foreseeably could be combined with other publicly available information to reveal identifying information regarding the student; and

(C) a student's education records, as defined by 34 C.F.R. Section 99.3.

(b) Student information is not public information for purposes of Chapter 552, Government Code.

(c) Unless permitted by Subchapter F, Chapter 301, Labor Code, or commission rule, a person commits an offense if the person solicits, discloses, receives, or uses, or authorizes, permits, participates in, or acquiesces in another person's use of, student information.

(d) An offense under Subsection (c) is a Class A misdemeanor.

Added by Acts 2011, 82nd Leg., R.S., Ch. 326 (H.B. 2538), Sec. 1, eff. September 1, 2011.

Sec. 132.025. REQUIRED POSTING. To facilitate a prospective student's informed selection among career schools and colleges, the commission shall include in its searchable directory of career schools and colleges maintained on its Internet website information regarding any formal enforcement action taken by the commission against a school or college, including:

(1) any revocation of the school's or college's certificate of authority;

(2) any assessment of administrative penalties

against the school or college; and

(3) any suspension of admission of students to the school or college.

Added by Acts 2015, 84th Leg., R.S., Ch. 1138 (S.B. 208), Sec. 1, eff. September 1, 2015.

SUBCHAPTER C. AUTHORIZED OPERATION OF PROPRIETARY SCHOOLS

Sec. 132.051. CERTIFICATE OF APPROVAL. (a) A career school or college may not maintain, advertise, solicit for, or conduct any program of instruction in this state until the career school or college receives a certificate of approval from the commission.

(b) Any contract entered into with any person for a program of instruction by or on behalf of any person operating any career school or college to which a certificate of approval has not been issued pursuant to this chapter is unenforceable in any action brought thereon. Any note, other instrument of indebtedness, or contract relating to payment for educational services obtained from a career school or college that does not hold a certificate of approval issued under this chapter is unenforceable in any action brought on the note, instrument, or contract.

Added by Acts 1971, 62nd Leg., p. 2009, ch. 620, Sec. 1, eff. June 4, 1971. Amended by Acts 1989, 71st Leg., ch. 813, Sec. 4.06, eff. Sept. 1, 1989. Redesignated from Education Code Sec. 32.31 and amended by Acts 1995, 74th Leg., ch. 260, Sec. 2, eff. May 30, 1995; Acts 2003, 78th Leg., ch. 364, Sec. 1.04, 2.12, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 817, Sec. 8.04, eff. Sept. 1, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 747 (H.B. 2806), Sec. 3, eff. September 1, 2005.

Sec. 132.052. APPLICATION FOR CERTIFICATE OF APPROVAL. Every career school or college desiring to operate in this state shall make written application to the commission for a certificate of approval. Such application shall be verified, be in such form as may be prescribed by the commission, and shall furnish the commission such information as the commission may require.

Added by Acts 1971, 62nd Leg., p. 2009, ch. 620, Sec. 1, eff. June 4, 1971. Redesignated from Education Code Sec. 32.32 and amended by Acts 1995, 74th Leg., ch. 260, Sec. 2, eff. May 30, 1995. Amended by Acts 1995, 74th Leg., ch. 655, Sec. 11.38, eff. Sept. 1, 1995; Acts 2003, 78th Leg., ch. 364, Sec. 2.13, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 817, Sec. 8.27, eff. Sept. 1, 2003.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1246 (S.B. [1534](#)), Sec. 3, eff. September 1, 2011.

Sec. 132.053. STATUTORY WAIVER AUTHORITY. (a) The commission may establish rules that waive, alter, suspend, or replace any of the following provisions governing small career schools and colleges:

(1) the fee schedule authorized under Section [132.201](#), provided that fees under a fee schedule established by rule may not be less than the reasonable administrative cost for regulation or more than the amount that a small career school or college would otherwise pay if it were not classified as a small career school or college;

(2) participation in the career school or college tuition trust account required by Section [132.2415](#);

(3) the refund policy provisions of Section [132.061](#);

(4) the examination of a school or college for compliance under Section [132.056](#)(f);

(5) the reporting requirements of Section [132.055](#)(b)(15); and

(6) the term for which a certificate of approval is issued under Section [132.056](#)(b), provided that a rule adopted under this section may not provide for a term that exceeds three years or is less than one year.

(b) A rule proposed under this section may be adopted only if it will reduce the regulatory burden for small career schools and colleges and will adequately safeguard the interests of the students of small career schools and colleges to receive either the education for which they have contracted or an appropriate refund.

Added by Acts 1993, 73rd Leg., ch. 1010, Sec. 3, eff. Aug. 30, 1993.

Redesignated from Education Code Sec. 32.321 and amended by Acts 1995, 74th Leg., ch. 260, Sec. 2, eff. May 30, 1995. Amended by Acts 1995, 74th Leg., ch. 655, Sec. 11.39, eff. Sept. 1, 1995; Acts 2003, 78th Leg., ch. 364, Sec. 2.14, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 817, Sec. 8.28, eff. Sept. 1, 2003.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 91 (S.B. 1303), Sec. 7.017, eff. September 1, 2011.

Sec. 132.054. SMALL SCHOOL OR COLLEGE EXEMPTION. The commission may exempt small career schools and colleges from any requirement of this chapter to reduce the cost to small schools and colleges of receiving a certificate of approval.

Added by Acts 1993, 73rd Leg., ch. 1010, Sec. 3, eff. Aug. 30, 1993. Redesignated from Education Code Sec. 32.322 and amended by Acts 1995, 74th Leg., ch. 260, Sec. 2, eff. May 30, 1995; Acts 2003, 78th Leg., ch. 364, Sec. 2.15, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 817, Sec. 8.29, eff. Sept. 1, 2003.

Sec. 132.055. CRITERIA. (a) The commission may approve the application of a career school or college when the school or college is found, upon investigation at the premises of the school or college, to have met the criteria specified by Subsection (b).

(b)(1) The programs, curriculum, and instruction are of such quality, content, and length as may reasonably and adequately achieve the stated objective for which the programs, curriculum, or instruction is offered. Before a career school or college conducts a program of instruction in court reporting, the school or college must produce evidence that the school or college has obtained approval for the curriculum from the Judicial Branch Certification Commission.

(2) There is in the school or college adequate space, equipment, instructional material, and instructor personnel to provide training of good quality.

(3) Educational and experience qualifications of directors, administrators, and instructors are adequate.

(4) The school or college maintains a written record

of the previous education and training of the applicant student that clearly indicates that appropriate credit has been given by the school or college for previous education and training, with the new training period shortened where warranted through use of appropriate skills or achievement tests and the student so notified.

(5) The school or college provides a copy of each of the following to each student before enrollment: the applicable program outline; the schedule of tuition, fees, and other charges and of refunds; regulations pertaining to grading, including incomplete grades; rules of operation and conduct; the name, mailing address, and telephone number of the commission for the purpose of directing complaints to the agency; and the current rates of job placement and employment of students issued a certificate of completion.

(6) Except as provided by Section [132.062](#), on completion of training, the student is given a certificate by the school or college indicating the program and that training was satisfactorily completed.

(7) Adequate records as prescribed by the commission are kept to show progress or grades, and satisfactory standards relating to progress and conduct are enforced.

(8) The school or college complies with all local, city, county, municipal, state, and federal rules and regulations, such as fire, building, and sanitation codes. The commission may require such evidence of compliance as is deemed necessary.

(9) The school or college is financially sound and capable of fulfilling its commitments for training.

(10) The school's or college's administrators, directors, owners, and instructors are of good reputation and character.

(11) The school or college has, maintains, and publishes in its catalogue and enrollment contract the proper policy for the refund of the unused portion of tuition, fees, and other charges in the event the student enrolled by the school or college in a program of instruction fails to take the program or withdraws or is discontinued from the program at any time prior to

completion.

(12) The school or college does not utilize erroneous or misleading advertising, either by actual statement, omission, or intimation as determined by the commission.

(13) The school or college meets additional criteria as may be required by the commission.

(14) The school or college does not use a name like or similar to an existing school or college unless the commission approves the school's or college's use of the name.

(15) The school or college furnishes to the commission the current rates of students who receive a certificate of completion and of job placement and employment of students issued a certificate of completion.

(16) The school or college furnishes to the commission for approval or disapproval student admission requirements for each program offered by the school or college.

(17) The school or college furnishes to the commission for approval or disapproval the course times and curriculum content for each program offered by the school or college.

(18) The school or college does not owe a penalty under Section [132.152](#), [132.155](#), or [132.157](#).

(19) The school or college maintains a policy regarding students called to active military service that meets the requirements prescribed by Section [132.0611](#).

Added by Acts 1971, 62nd Leg., p. 2010, ch. 620, Sec. 1, eff. June 4, 1971. Amended by Acts 1983, 68th Leg., p. 1972, ch. 359, Sec. 1, eff. Sept. 1, 1983; Acts 1989, 71st Leg., ch. 813, Sec. 4.07, eff. Sept. 1, 1989; Acts 1993, 73rd Leg., ch. 563, Sec. 1, eff. Sept. 1, 1993. Redesignated from Education Code Sec. 32.33 and amended by Acts 1995, 74th Leg., ch. 260, Sec. 2, eff. May 30, 1995. Amended by Acts 1995, 74th Leg., ch. 655, Sec. 11.40, eff. Sept. 1, 1995; Acts 2003, 78th Leg., ch. 364, Sec. 1.05, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 817, Sec. 8.05, eff. Sept. 1, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 747 (H.B. [2806](#)), Sec. 4, eff. September 1, 2005.

Acts 2007, 80th Leg., R.S., Ch. 496 (S.B. [309](#)), Sec. 2, eff.

September 1, 2007.

Acts 2013, 83rd Leg., R.S., Ch. 42 (S.B. 966), Sec. 2.03, eff. September 1, 2014.

Sec. 132.0551. QUALIFICATIONS, TRAINING, AND CONTINUING EDUCATION REQUIRED. (a) Each director of admissions and each full-time instructor employed by a career school or college must meet the minimum qualification and training requirements established by commission rule.

(b) The chief administrative officer of or an owner with supervisory authority over a career school or college must meet the minimum qualification and training requirements established by commission rule.

(c) The commission shall require a person described by Subsection (a) or (b) to complete not less than six hours each year of continuing education applicable to the position.

(d) The commission by rule shall establish the minimum qualification and training requirements and continuing education requirements for each position to which this section applies.

(e) In accordance with rules adopted for that purpose, the commission shall approve appropriate entities that the commission determines are qualified to provide the continuing education or training courses required by this section. In approving an entity under this subsection, the commission shall consider the entity's ability to offer a curriculum that:

(1) addresses the applicable requirements for the positions for which the education or training is provided;

(2) addresses the statutes, rules, and federal regulations or guidelines applicable to the positions;

(3) includes any criteria required to receive or retain accreditation from a nationally recognized organization; and

(4) addresses any other curriculum needs of a continuing education or training course established under this section.

(f) Each career school or college shall maintain records of any continuing education or training received by school or college

officials or personnel and shall make the records available for inspection during regular business hours on the premises of the school. The records must indicate for which position the continuing education or training was received.

(g) Expired.

Added by Acts 2005, 79th Leg., Ch. 1279 (H.B. 2333), Sec. 1, eff. September 1, 2005.

Sec. 132.056. ISSUANCE OF CERTIFICATE OF APPROVAL; RENEWAL. (a) The commission, upon review of an application for a certificate of approval duly submitted in accordance with Section 132.052 and meeting the requirements of Section 132.055, shall issue a certificate of approval to the applicant career school or college. The certificate of approval shall be in a form prescribed by the commission and shall state in a clear and conspicuous manner at least the following information:

(1) date of issuance, effective date, and term of approval; and

(2) correct name and address of the school or college.

(b) The term for which a certificate of approval shall be issued may not exceed one year.

(c) The certificate of approval shall be issued to the owner of the applicant career school or college and is nontransferable. In the event of a change in ownership of the school or college, a new owner must, at least 30 days prior to the change in ownership, apply, in the manner prescribed by the commission, for a new certificate of approval.

(d) At least 30 days prior to expiration of a certificate of approval, the career school or college shall forward to the commission an application for renewal. The commission shall reexamine the premises of the school or college as frequently as the commission considers necessary and renew, revoke, or deny renewal of the school's or college's certificate of approval. If a school or college fails to file a complete application for renewal at least 30 days before the expiration date of the certificate of approval, the school or college, as a condition of renewal, must pay, in addition to the annual renewal fee, a late renewal fee in an amount

established by commission rule of at least \$100.

(e) Repealed by Acts 2005, 79th Leg., Ch. 747, Sec. 12, eff. September 1, 2005.

(f) The commission shall visit a career school or college to reexamine the school or college for compliance with the criteria provided by Section 132.055 not later than three months after the date the school or college begins operation or after a change in ownership of the school or college.

(g) Before the commission issues a certificate of approval or a renewal certificate of approval under this section, the commission may require a career school or college to comply with the requirements of Section 132.0551 and to submit evidence of that compliance to the commission.

Added by Acts 1971, 62nd Leg., p. 2010, ch. 620, Sec. 1, eff. June 4, 1971. Amended by Acts 1985, 69th Leg., ch. 239, Sec. 29, eff. Sept. 1, 1985; Acts 1989, 71st Leg., ch. 813, Sec. 4.08, eff. Sept. 1, 1989. Redesignated from Education Code Sec. 32.34 and amended by Acts 1995, 74th Leg., ch. 260, Sec. 2, eff. May 30, 1995. Amended by Acts 1995, 74th Leg., ch. 655, Sec. 11.41, eff. Sept. 1, 1995; Acts 2001, 77th Leg., ch. 1064, Sec. 3, eff. Sept. 1, 2001; Acts 2003, 78th Leg., ch. 364, Sec. 2.16, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 817, Sec. 8.30, eff. Sept. 1, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 747 (H.B. 2806), Sec. 5, eff. September 1, 2005.

Acts 2005, 79th Leg., Ch. 747 (H.B. 2806), Sec. 12, eff. September 1, 2005.

Acts 2005, 79th Leg., Ch. 1279 (H.B. 2333), Sec. 2, eff. September 1, 2005.

Sec. 132.057. DENIAL OF CERTIFICATE OF APPROVAL. (a) If the commission, upon review and consideration of an application for certificate of approval, shall determine the applicant to be unacceptable, the commission shall set forth the reasons for denial, in writing, to the applicant.

(b) Any applicant whose certificate of approval is denied has the right of appeal under Subchapter D.

Added by Acts 1971, 62nd Leg., p. 2011, ch. 620, Sec. 1, eff. June 4, 1971. Amended by Acts 1973, 63rd Leg., p. 1265, ch. 463, Sec. 3, eff. June 14, 1973. Redesignated from Education Code Sec. 32.35 and amended by Acts 1995, 74th Leg., ch. 260, Sec. 2, eff. May 30, 1995.

Sec. 132.058. REVOCATION OF CERTIFICATE OF APPROVAL. (a) The commission may revoke an issued certificate of approval or place reasonable conditions upon the continued approval represented by the certificate. Prior to revocation or imposition of conditions upon a certificate of approval, the commission shall notify the holder of the certificate, in writing, of the impending action and set forth the grounds for the action. The commission may reexamine a career school or college two or more times during each year in which a notice relating to the school or college has been issued or conditions have been imposed on the school or college under this subsection.

(b) A certificate of approval may be revoked or made conditional if the commission has reasonable cause to believe that the career school or college is guilty of a violation of this chapter or of any rules adopted under this chapter.

Added by Acts 1971, 62nd Leg., p. 2011, ch. 620, Sec. 1, eff. June 4, 1971. Amended by Acts 1989, 71st Leg., ch. 813, Sec. 4.09, eff. Sept. 1, 1989. Redesignated from Education Code Sec. 32.36 and amended by Acts 1995, 74th Leg., ch. 260, Sec. 2, eff. May 30, 1995; Acts 2003, 78th Leg., ch. 364, Sec. 2.17, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 817, Sec. 8.31, eff. Sept. 1, 2003.

Sec. 132.059. REGISTRATION OF REPRESENTATIVES. (a) All representatives employed by a career school or college shall register with the commission. Application for registration may be made at any time and shall be based on information submitted in accordance with the provisions of Section [132.052](#).

(b) Registration of a representative is effective upon receipt of notice from the commission and remains in effect for a period not in excess of 12 calendar months. Renewal of representative registration shall be in accordance with the renewal application form forwarded to the career school or college by the

commission.

(c) Denial or revocation of registration of a representative by the commission shall be in accordance with the provisions of this chapter applicable to denial or revocation of a certificate of approval. The commission may deny, suspend, or revoke the registration of a representative who has been convicted of a felony, whether within or without this state.

(d) Repealed by Acts 2011, 82nd Leg., R.S., Ch. 1246, Sec. 5, eff. September 1, 2011.

(e) The commission shall deny registration of a representative who owes a penalty under Section [132.152](#) or [132.155](#). Added by Acts 1971, 62nd Leg., p. 2011, ch. 620, Sec. 1, eff. June 4, 1971. Amended by Acts 1989, 71st Leg., ch. 813, Sec. 4.10, eff. Sept. 1, 1989. Redesignated from Education Code Sec. 32.37 and amended by Acts 1995, 74th Leg., ch. 260, Sec. 2, eff. May 30, 1995; Acts 2003, 78th Leg., ch. 364, Sec. 2.18, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 817, Sec. 8.32, eff. Sept. 1, 2003.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1246 (S.B. [1534](#)), Sec. 5, eff. September 1, 2011.

Sec. 132.061. REFUND POLICY. (a) Except as provided by Subsection (g), as a condition for granting certification each career school or college must maintain a cancellation and settlement policy that must provide a full refund of all monies paid by a student if:

(1) the student cancels the enrollment agreement or contract within 72 hours (until midnight of the third day excluding Saturdays, Sundays, and legal holidays) after the enrollment contract is signed by the prospective student; or

(2) the enrollment of the student was procured as the result of any misrepresentation in advertising, promotional materials of the school or college, or representations by the owner or representatives of the school or college.

(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 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 withdrawal from the student; or

(C) 10 school days following the last date of attendance;

(3) if tuition and fees are collected in advance of entrance, and if, after expiration of the 72-hour cancellation privilege, the student does not enter the residence career school or college, not more than \$100 shall be retained by the school or college;

(4) for the student who enters a residence program or a synchronous distance education course and who withdraws or is otherwise terminated, the school or college may retain not more than \$100 of any administrative fees charged and the minimum refund of the remaining tuition and fees will be the pro rata portion of tuition, fees, and other charges that the number of hours remaining in the portion of the course or program for which the student has been charged after the effective date of termination bears to the total number of hours in the portion of the course or program for which the student has been charged, except that a student may not collect a refund if the student has completed 75 percent or more of the total number of hours in the portion of the program for which the student has been charged on the effective date of termination;

(5) refunds of items of extra expense to the student, such as instructional supplies, books, student activities,

laboratory fees, service charges, rentals, deposits, and all other such ancillary miscellaneous charges, where these items are separately stated and shown in the data furnished the student before enrollment, will be made in a reasonable manner acceptable to the commission;

(6) refunds based on enrollment in residence and synchronous distance education courses or programs will be totally consummated within 60 days after the effective date of termination;

(7) refunds for asynchronous distance education courses or programs will be computed on the basis of the number of lessons in the course or program;

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

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

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

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

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

(10) in cases of termination or withdrawal after the student has begun the asynchronous distance education course or program, the school or college may retain \$50 of tuition and fees, and the minimum refund policy must provide that the student will be refunded the pro rata portion of the remaining tuition, fees, and other charges that the number of courses completed and serviced by the school or college bears to the total number of courses in the program; and

(11) refunds based on enrollment in asynchronous distance education schools or colleges will be totally consummated

within 60 days after the effective date of termination.

(c) In lieu of the refund policy herein set forth, for programs of instruction not regularly offered to the public, the commission may, for good cause shown, amend, modify, or substitute the terms of a career school's or college's policy due to the specialized nature and objective of the school's or college's program of instruction.

(d) If a program of instruction is discontinued by the career school or college and this prevents the student from completing the program, all tuition and fees paid are then due and refundable.

(e) If a refund is not made within the period required by this section, the career school or college shall pay a penalty. If the refund is made to a lending institution, the penalty shall also be paid to that institution and applied against the student's loan. The commission annually shall establish the level of the penalty at a level sufficient to provide a deterrent to the retention of student funds. The commission may exempt a school or college from the payment of the penalty if the school or college makes a good faith effort to refund the tuition, fees, and other charges but is unable to locate the student. The school or college shall provide to the commission on request documentation of the effort to locate the student.

(f) A career school or college shall record a grade of "incomplete" for a student who withdraws during the portion of a course or program for which the student is not eligible to collect a refund under Subsection (b)(4) if the student requests the grade at the time the student withdraws and the student withdraws for an appropriate reason unrelated to the student's academic status. A student who receives a grade of incomplete may 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 for that portion of the course or program.

(g) A program that is 40 hours or less of course time, or a seminar or workshop, is exempt from the 72-hour rule provided by Subsection (a). The career school or college shall maintain a

policy for the refund of the unused portion of tuition, fees, and other charges in the event the student fails to enter the program or withdraws or is discontinued from the program at any time before completion of the program as provided by this section. The policy must provide that:

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

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

(A) the last date of attendance; or

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

(3) the student will be refunded the pro rata portion of tuition, fees, and other charges that the number of hours remaining in the portion of the program for which the student has been charged after the effective date of termination bears to the total number of hours in the portion of the program for which the student has been charged.

(h) A closing career school or college shall, subject to Section [132.242](#), make a full refund to each student of the school or college who is owed a refund under this section.

(i) Each owner of a closing career school or college to which a certificate of approval has not been issued under this chapter is personally liable for the amount of any refund owed to a student under Subsection (h).

(j) The commission may adopt rules governing records necessary to make refunds authorized by this chapter.

Added by Acts 1971, 62nd Leg., p. 2013, ch. 620, Sec. 1, eff. June 4, 1971. Amended by Acts 1973, 63rd Leg., p. 1266, ch. 463, Sec. 5, eff. June 14, 1973; Acts 1983, 68th Leg., p. 1972, ch. 359, Sec. 3, eff. Sept. 1, 1983; Acts 1989, 71st Leg., ch. 813, Sec. 4.12, eff. Sept. 1, 1989; Acts 1993, 73rd Leg., ch. 1010, Sec. 4, eff. Aug. 30, 1993. Redesignated from Education Code Sec. 32.39 and amended by Acts 1995, 74th Leg., ch. 260, Sec. 2, eff. May 30, 1995. Amended by Acts 1995, 74th Leg., ch. 655, Sec. 11.43, eff. Sept. 1, 1995; Acts 2001, 77th Leg., ch. 1064, Sec. 5, eff. Sept. 1, 2001; Acts 2003,

78th Leg., ch. 364, Sec. 1.06, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 817, Sec. 8.06, eff. Sept. 1, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 747 (H.B. 2806), Sec. 6, eff. September 1, 2005.

Acts 2011, 82nd Leg., R.S., Ch. 1029 (H.B. 2784), Sec. 1, eff. September 1, 2011.

Sec. 132.0611. REFUND POLICY FOR STUDENTS CALLED TO ACTIVE MILITARY SERVICE. As a condition to receiving a certificate of approval under this chapter, including a renewal of a certificate of approval, a career school or college must maintain, and include in the school or college's catalogue and enrollment contract, a policy under which a student of the school or college who withdraws from the school or college as a result of the student being called to active duty in a military service of the United States or the Texas National Guard may elect one of the following options for each program in which the student is enrolled:

(1) if tuition and fees are collected in advance of the withdrawal, a pro rata refund of any tuition, fees, or other charges paid by the student for the program and a cancellation of any unpaid tuition, fees, or other charges owed by the student for the portion of the program the student does not complete following withdrawal;

(2) a grade of incomplete with the designation "withdrawn-military" for the courses in the program, other than courses for which the student has previously received a grade on the student's transcript, and the right to re-enroll in the program, or a substantially equivalent program if that program is no longer available, not later than the first anniversary of the date the student is discharged from active military duty without payment of additional tuition, fees, or other charges for the program other than any previously unpaid balance of the original tuition, fees, and charges for books for the program; or

(3) the assignment of an appropriate final grade or credit for the courses in the program, but only if the instructor or instructors of the program determine that the student has:

(A) satisfactorily completed at least 90 percent

of the required coursework for the program; and

(B) demonstrated sufficient mastery of the program material to receive credit for completing the program.

Added by Acts 2007, 80th Leg., R.S., Ch. 496 (S.B. 309), Sec. 1, eff. September 1, 2007.

Sec. 132.062. WITHHOLDING RECORDS. A career school or college may withhold a student's transcript or certificate of completion of training until the student has fulfilled the student's financial obligation to the school or college.

Added by Acts 1983, 68th Leg., p. 1972, ch. 359, Sec. 2, eff. Sept. 1, 1983. Amended by Acts 1989, 71st Leg., ch. 813, Sec. 4.13, eff. Sept. 1, 1989. Redesignated from Education Code Sec. 32.40 and amended by Acts 1995, 74th Leg., ch. 260, Sec. 2, eff. May 30, 1995; Acts 2003, 78th Leg., ch. 364, Sec. 2.19, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 817, Sec. 8.33, eff. Sept. 1, 2003.

Sec. 132.063. APPROVED DEGREES. A career school or college may offer a degree approved by the Texas Higher Education Coordinating Board.

Added by Acts 1989, 71st Leg., ch. 813, Sec. 4.14, eff. Aug. 28, 1989. Redesignated from Education Code Sec. 32.401 and amended by Acts 1995, 74th Leg., ch. 260, Sec. 2, eff. May 30, 1995. Amended by Acts 1995, 74th Leg., ch. 655, Sec. 11.44, eff. Sept. 1, 1995; Acts 2003, 78th Leg., ch. 364, Sec. 2.20, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 817, Sec. 8.34, eff. Sept. 1, 2003.

Sec. 132.064. NONQUALIFICATION AS SMALL CAREER SCHOOL AND COLLEGE. (a) A career school or college operating as a small career school or college but that has an annual gross income from tuition and fees that exceed \$100,000 (other than a test preparation school described by Section 132.001(10)(B) or (C)) that intends to receive a payment from federal funds under 20 U.S.C. Section 1070 et seq. or intends to receive prepayment of tuition, fees or other charges from federal or state funds shall send written notice to the commission. The notice must be sent not later than the following date, as applicable:

(1) the 60th day after the date on which annual gross income is determined to exceed the maximum;

(2) the day before receiving a payment of federal funds under 20 U.S.C. Section 1070 et seq.; or

(3) the day before enrolling a student who will prepay tuition, a fee, or another charge in whole or in part from federal or state funds.

(b) A career school or college that no longer qualifies as a small career school or college shall apply for an initial certificate of approval as a career school or college within 30 days after the date the school has notified the commission that it no longer qualifies as a small career school or college. The commission may apply or prorate any fees paid by the school or college as a small career school or college.

(c) A career school or college that no longer qualifies as a small career school or college shall submit to the commission an amount of money equal to the difference between the fee for the small career school or college certificate of approval submitted by the school or college and the fee that the school or college would be required to submit after its qualifications as a small career school or college cease.

(d) The authority of a career school or college to operate under a small career school or college certificate of approval terminates on the final determination of issuance or denial of an initial certificate of approval. If a school or college fails to file a complete application within the period required by Subsection (b), the school or college, as a condition of issuance, must pay a late fee in an amount established by commission rule of at least \$100.

Added by Acts 1993, 73rd Leg., ch. 1010, Sec. 5, eff. Aug. 30, 1993. Redesignated from Education Code Sec. 32.402 and amended by Acts 1995, 74th Leg., ch. 260, Sec. 2, eff. May 30, 1995. Amended by Acts 1995, 74th Leg., ch. 655, Sec. 11.45, eff. Sept. 1, 1995; Acts 2001, 77th Leg., ch. 1064, Sec. 6, eff. Sept. 1, 2001; Acts 2003, 78th Leg., ch. 364, Sec. 2.21, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 817, Sec. 8.35, eff. Sept. 1, 2003.

Sec. 132.065. SCHOOLS NOT REQUIRED TO TAKE ATTENDANCE. (a) A career school or college that is eligible to participate in student financial aid programs under Title IV, Higher Education Act of 1965 (20 U.S.C. Section 1070 et seq.), is not required to take attendance.

(b) Before a student begins a program offered by a career school or college to which Subsection (a) applies, the school or college shall provide to the student written notice of all policies related to program interruption occurring before the student's completion of the program. The career school or college shall also notify each student in writing that if the student withdraws from the program, it is the student's responsibility to inform the school or college of the student's withdrawal.

(c) A student attending a program offered by a career school or college to which Subsection (a) applies may not be required to pay tuition to the school or college during the first week of the program. Except as otherwise provided by this subsection, the career school or college shall verify the student's enrollment in the program by documenting the student's participation in an academically related activity of the program at the end of the first week of each semester or other academic term of the program, at the end of the first month of each semester or other academic term of the program, at the midpoint of each semester or other academic term of the program, and at the end of each semester or other academic term of the program. If the career school or college is unable to verify the student's enrollment in the program at any of those times, the student is considered to have withdrawn from the program. The date on which the career school or college was first unable to verify the student's enrollment in the program is the date of the student's withdrawal for refund purposes, and the school or college is not required to verify the student's enrollment in the program after that date.

Added by Acts 2005, 79th Leg., Ch. 747 (H.B. 2806), Sec. 7, eff. September 1, 2005.

SUBCHAPTER D. APPEAL

Sec. 132.101. HEARING. (a) Should the applicant be dissatisfied with the denial of a certificate of approval by the commission, the applicant has the right to appeal the decision of the commission and request a hearing with the commission or a hearing officer appointed by the commission within 15 days after receipt of notice. Upon receipt of the request for a hearing, the commission shall set a time and place for the hearing and then send notice to the school of the time and place.

(b) The hearing shall be held within 30 days from the receipt of the request for a hearing.

(c) At the hearing, an applicant may appear in person or by counsel and present evidence to the commission or a hearing officer appointed by the commission in support of the granting of the permit specified herein. All interested persons may also appear and present oral and documentary evidence to the commission or a hearing officer appointed by the commission concerning the issuance of a certificate of approval to the applicant school.

(d) Within 10 days after the hearing, the commission shall send notice to the school either affirming or revoking the denial of the certificate of approval.

Added by Acts 1971, 62nd Leg., p. 2014, ch. 620, Sec. 1, eff. June 4, 1971. Redesignated from Education Code Sec. 32.41 and amended by Acts 1995, 74th Leg., ch. 260, Sec. 2, eff. May 30, 1995.

Sec. 132.102. JUDICIAL APPEAL. (a) The commission's decision to deny a certificate of approval may be appealed to a district court in Travis County.

(b) Unless stayed by the court on a showing of good cause, the commission's decision may not be superseded during the appeal.

(c) On the filing of the lawsuit, citation shall be served on the commission. The commission shall prepare a complete record of all proceedings had before the commission or hearing examiner and shall certify a copy of the proceedings to the court. Trial before the court shall be on the basis of the record made before the commission or hearing examiner, and the court shall make its decision based on the record. The commission's decision shall be affirmed by the court if the court finds substantial evidence in the

record to justify the decision, unless the court finds the order to be:

(1) arbitrary and capricious;

(2) in violation of the constitution or laws of this state; or

(3) in violation of rules promulgated by the commission pursuant to this chapter.

(d) The decision of the trial court is subject to appeal in the same manner as any other civil lawsuit under the Texas Rules of Civil Procedure.

Added by Acts 1971, 62nd Leg., p. 2014, ch. 620, Sec. 1, eff. June 4, 1971. Amended by Acts 1984, 68th Leg., 2nd C.S., ch. 28, art. I, part D, Sec. 9,10, eff. Sept. 1, 1984. Redesignated from Education Code Sec. 32.42(a) to (e) and amended by Acts 1995, 74th Leg., ch. 260, Sec. 2, eff. May 30, 1995. Amended by Acts 1995, 74th Leg., ch. 655, Sec. 11.46, eff. Sept. 1, 1995.

Sec. 132.103. APPEAL FOLLOWING REVOCATION OF CERTIFICATE OF APPROVAL. Appeals concerning revocation of certificates of approval shall be prosecuted in the same manner and under the same provisions as provided for appeals from denial of such certificates.

Added by Acts 1971, 62nd Leg., p. 2014, ch. 620, Sec. 1, eff. June 4, 1971. Redesignated from Education Code Sec. 32.42(f) and amended by Acts 1995, 74th Leg., ch. 260, Sec. 2, eff. May 30, 1995.

SUBCHAPTER E. CLASS ACTION SUITS

Sec. 132.121. CLASS ACTION. (a) Any person who is injured by any act taken or permitted in violation of this chapter may, on behalf of the person and others similarly situated, maintain an action in a district court in Travis County, regardless of the amount in controversy, for temporary or permanent injunctive relief, declaratory relief, or other relief, including damages, such action to be pursued in accordance with Rule 42, Texas Rules of Civil Procedure.

(b) A party filing such an action must give prompt notice to

the attorney general, who shall be permitted to join, on application within 30 days, as a party plaintiff.

Added by Acts 1971, 62nd Leg., p. 2015, ch. 620, Sec. 1, eff. June 4, 1971. Redesignated from Education Code Sec. 32.51 and amended by Acts 1995, 74th Leg., ch. 260, Sec. 2, eff. May 30, 1995.

Sec. 132.122. NOTICE. In any class action permitted under this chapter, the court shall direct the defendant to serve on each member of the class the best possible notice. If required in the interest of justice, the court may direct that individual notice be served on all members of the class who can be identified through reasonable efforts. Such notice shall inform the recipient that the recipient is thought to be a member of the class and, if so, the recipient may enter an appearance and join in the suit, either in person or through counsel.

Added by Acts 1971, 62nd Leg., p. 2015, ch. 620, Sec. 1, eff. June 4, 1971. Redesignated from Education Code Sec. 32.52 and amended by Acts 1995, 74th Leg., ch. 260, Sec. 2, eff. May 30, 1995.

Sec. 132.123. JUDGMENT AND COSTS. (a) The court shall enter judgment in each class action brought under this chapter in such form as shall be justified by the facts and the law applicable thereto. Damages shall be awarded only to those members of the class who joined as parties plaintiff, but all other relief granted by the court shall inure to the benefit of all members of the class.

(b) A plaintiff who prevails in a class action shall be awarded court costs and reasonable attorney's fees in the judgment. A legal aid society or legal services program that represents the plaintiff or plaintiffs in such an action shall be awarded a service fee in lieu of attorney's fees.

Added by Acts 1971, 62nd Leg., p. 2015, ch. 620, Sec. 1, eff. June 4, 1971. Redesignated from Education Code Sec. 32.53 and amended by Acts 1995, 74th Leg., ch. 260, Sec. 2, eff. May 30, 1995.

SUBCHAPTER F. PROHIBITED ACTS

Sec. 132.151. PROHIBITIONS. A person may not:

(1) operate a career school or college without a certificate of approval issued by the commission;

(2) solicit prospective students for or on behalf of a career school or college without being registered as a representative of the career school or college as required by this chapter;

(3) accept contracts or enrollment applications for or on behalf of a career school or college from a representative who is not bonded as required by this chapter;

(4) utilize advertising designed to mislead or deceive prospective students;

(5) fail to notify the commission of the closure of any career school or college within 72 hours of cessation of classes and make available accurate records as required by this chapter;

(6) negotiate any promissory instrument received as payment of tuition or other charge by a career school or college prior to completion of 75 percent of the applicable program, provided that prior to such time, the instrument may be transferred by assignment to a purchaser who shall be subject to all the defenses available against the career school or college named as payee; or

(7) violate any provision of this chapter.

Added by Acts 1971, 62nd Leg., p. 2015, ch. 620, Sec. 1, eff. June 4, 1971. Amended by Acts 1973, 63rd Leg., p. 1267, ch. 463, Sec. 6, eff. June 14, 1973; Acts 1989, 71st Leg., ch. 813, Sec. 4.15, eff. Sept. 1, 1989. Redesignated from Education Code Sec. 32.61 and amended by Acts 1995, 74th Leg., ch. 260, Sec. 2, eff. Sept. 1, 1995; Acts 2001, 77th Leg., ch. 1064, Sec. 7, eff. Sept. 1, 2001; Acts 2003, 78th Leg., ch. 364, Sec. 2.22, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 817, Sec. 8.36, eff. Sept. 1, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 747 (H.B. [2806](#)), Sec. 8, eff. September 1, 2005.

Acts 2011, 82nd Leg., R.S., Ch. 1246 (S.B. [1534](#)), Sec. 3, eff. September 1, 2011.

Sec. 132.152. ADMINISTRATIVE PENALTY. (a) If a person

violates Section [132.151](#), the commission may assess an administrative penalty against that person as provided by this section.

(b) The commission may assess the administrative penalty in an amount not to exceed \$1,000. In determining the amount of the penalty, the commission shall consider the seriousness of the violation.

(c) If, after examination of a possible violation and the facts relating to that possible violation, the commission concludes that a violation has occurred, the commission shall issue a preliminary report that states the facts on which the conclusion is based, the fact that an administrative penalty is to be imposed, and the amount of the penalty to be assessed. Not later than the 10th day after the date on which the commission issues the preliminary report, the commission shall send a copy of the report to the person charged with the violation, together with a statement of the right of the person to a hearing relating to the alleged violation and the amount of the penalty.

(d) Not later than the 20th day after the date on which the report is sent, the person charged must either make a written request for a hearing or remit the amount of the administrative penalty to the commission. Failure either to request a hearing or to remit the amount of the administrative penalty within the time provided by this subsection results in a waiver of a right to a hearing under this section. If the person charged requests a hearing, the hearing shall be conducted in the same manner as a hearing on the denial of certificate of approval under Section [132.101](#). If the hearing results in a finding that a violation has occurred, the commission shall:

(1) provide to the person written notice of:

- (A) the findings established at the hearing; and
- (B) the amount of the penalty; and

(2) enter an order requiring the person to pay the amount of the penalty.

(e) Not later than the 30th day after the date the person receives the order entered by the commission under Subsection (d), the person shall:

(1) pay the amount of the penalty;

(2) remit the amount of the penalty to the commission for deposit in an escrow account and file a petition for judicial review contesting the occurrence of the violation, the amount of the penalty, or both the occurrence of the violation and the amount of the penalty; or

(3) without paying the amount of the penalty, file a petition for judicial review contesting the occurrence of the violation, the amount of the penalty, or both the occurrence of the violation and the amount of the penalty and file with the court a sworn affidavit stating that the person is financially unable to pay the amount of the penalty.

(f) The commission's order is subject to judicial review in the same manner as an appeal of a decision to deny a certificate of approval under Section 132.102.

(g) If on review the court does not sustain the occurrence of the violation or finds that the amount of the penalty should be reduced, the commission shall remit the appropriate amount to the person charged with the violation not later than the 30th day after the date the court's judgment becomes final.

(h) If the court sustains the occurrence of the violation:

(1) the court:

(A) shall order the person to pay the amount of the penalty; and

(B) may award to the commission the attorney's fees and court costs incurred by the commission in defending the action; and

(2) the commission shall remit the amount of the penalty to the comptroller for deposit in the general revenue fund.

(i) If the person does not pay the amount of the penalty after the commission's order becomes final for all purposes, the commission may refer the matter to the attorney general for collection of the amount of the penalty.

(j) to (m) Repealed by Acts 2003, 78th Leg., ch. 364, Sec. 1.10(1) and ch. 817, Sec. 9.01(2).

Added by Acts 1989, 71st Leg., ch. 813, Sec. 4.16, eff. Sept. 1, 1989. Redesignated from Education Code Sec. 32.611 and amended by

Acts 1995, 74th Leg., ch. 260, Sec. 2, eff. May 30, 1995; Acts 2003, 78th Leg., ch. 364, Sec. 1.07, 1.10(1), eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 817, Sec. 8.07, 9.01(2), eff. Sept. 1, 2003.

Sec. 132.153. COMPETITIVE BIDDING; ADVERTISING. The commission may not adopt rules to restrict competitive bidding or advertising by a career school or college except to prohibit false, misleading, or deceptive competitive bidding or advertising practices. Those rules may not restrict:

- (1) the use of an advertising medium;
- (2) the size or duration of an advertisement; or
- (3) advertisement under a trade name.

Added by Acts 1989, 71st Leg., ch. 813, Sec. 4.17, eff. Sept. 1, 1989. Redesignated from Education Code Sec. 32.612 and amended by Acts 1995, 74th Leg., ch. 260, Sec. 2, eff. Sept. 1, 1995. Amended by Acts 1995, 74th Leg., ch. 655, Sec. 11.47, eff. Sept. 1, 1995; Acts 2003, 78th Leg., ch. 364, Sec. 2.23, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 817, Sec. 8.37, eff. Sept. 1, 2003.

Sec. 132.154. INJUNCTIONS. (a) Whenever the commission has probable cause to believe that any career school or college has committed any acts that would be in violation of this chapter, the commission shall apply for an injunction restraining the commission of such acts.

(b) An action for an injunction under this section shall be brought in Travis County.

Added by Acts 1971, 62nd Leg., p. 2016, ch. 620, Sec. 1, eff. June 4, 1971. Amended by Acts 1989, 71st Leg., ch. 813, Sec. 4.18, eff. Sept. 1, 1989. Redesignated from Education Code Sec. 32.62 and amended by Acts 1995, 74th Leg., ch. 260, Sec. 5, eff. May 30, 1995; Acts 2003, 78th Leg., ch. 364, Sec. 2.24, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 817, Sec. 8.38, eff. Sept. 1, 2003.

Sec. 132.155. CIVIL PENALTY. (a) A person who violates this chapter or a rule adopted under this chapter is liable for a civil penalty in addition to any injunctive relief or other remedy provided by law. The civil penalty may not exceed \$1,000 a day for

each violation.

(b) The attorney general, at the request of the commission, may bring a civil action to collect a civil penalty under this section.

Added by Acts 1989, 71st Leg., ch. 813, Sec. 4.19, eff. Sept. 1, 1989. Redesignated from Education Code Sec. 32.63 and amended by Acts 1995, 74th Leg., ch. 260, Sec. 2, eff. May 30, 1995. Amended by Acts 1995, 74th Leg., ch. 655, Sec. 11.48, eff. Sept. 1, 1995.

Sec. 132.156. SANCTIONS. (a) If the commission has reasonable cause to believe that a career school or college has violated this chapter or a rule adopted under this chapter, the commission may:

- (1) order a peer review of the school or college; or
- (2) suspend the admission of students to the school or college.

(b) A peer review ordered under this section shall be conducted by a peer review team composed of knowledgeable persons selected by the commission. The commission shall attempt to provide a balance on each team between members assigned to the team who are from this state and those who are from other states. The team shall provide the commission with an objective assessment of the content of the career school's or college's curriculum and its application. The costs of providing a peer review team shall be paid by the school or college.

Added by Acts 1989, 71st Leg., ch. 813, Sec. 4.20, eff. Sept. 1, 1989. Redesignated from Education Code Sec. 32.64 and amended by Acts 1995, 74th Leg., ch. 260, Sec. 2, eff. Sept. 1, 1995. Amended by Acts 1995, 74th Leg., ch. 655, Sec. 11.49, eff. Sept. 1, 1995; Acts 2003, 78th Leg., ch. 364, Sec. 2.25, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 817, Sec. 8.39, eff. Sept. 1, 2003.

Sec. 132.157. PENALTY FOR SMALL PROPRIETARY SCHOOL. (a) If a career school or college fails to timely comply with the requirements of Section [132.064](#), in addition to any other penalties authorized by law, the commission may assess a penalty in an amount not greater than two times the amount that the school or college

would have paid in fees and other charges if the school or college had complied with the requirements of Section 132.064 or may assess a penalty in the amount of the tuition or fee charge to any students whose tuition or fees were contracted to be funded by a prepaid federal or state source.

(b) If the commission finds that the career school or college acted intentionally, the commission may, in addition to any other remedy available under law, assess a penalty against the owner in an amount not greater than four times the amount of the fees and charges that the school or college should have paid or four times the amount of the student tuition that was contracted to be funded from a prepaid federal or state source.

(c) The failure to notify the commission within four months after the career school's or college's earnings exceed that of a small career school or college gives rise to a rebuttable presumption of intent for purposes of assessment of a penalty.

(d) The failure to notify the commission within 10 days after a career school or college has enrolled a student whose tuition or fees are paid in whole or in part from a prepaid federal or state source gives rise to a rebuttable presumption of intent for purposes of assessment of a penalty.

(e) A penalty under this section shall be assessed in accordance with the procedures stated in Section 132.152.

Added by Acts 1993, 73rd Leg., ch. 1010, Sec. 6, eff. Aug. 30, 1993. Redesignated from Education Code Sec. 32.65 and amended by Acts 1995, 74th Leg., ch. 260, Sec. 2, eff. May 30, 1995; Acts 2003, 78th Leg., ch. 364, Sec. 2.26, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 817, Sec. 8.40, eff. Sept. 1, 2003.

Sec. 132.158. PROHIBITION AGAINST CERTAIN ACTIVITIES BY FINANCIAL AID EMPLOYEES. (a) In this section:

(1) "Student loan" means a loan for which the loan agreement requires that all or part of the loan proceeds be used to assist a person in attending an institution of higher education or other postsecondary institution, including a career school or college.

(2) "Student loan lender" means a person whose primary

business is:

(A) making, brokering, arranging, or accepting applications for student loans; or

(B) a combination of activities described by Paragraph (A).

(b) A person employed by a career school or college in the financial aid office of the school or college may not:

(1) own stock or hold another ownership interest in a student loan lender, other than through ownership of shares in a publicly traded mutual fund or similar investment vehicle in which the person does not exercise any discretion regarding the investment of the assets of the fund or other investment vehicle; or

(2) solicit or accept any gift from a student loan lender.

(c) A career school or college may not knowingly employ a person who violates Subsection (b). If a career school or college discovers that its employee is in violation of Subsection (b), the school or college shall promptly take appropriate action to cure the violation, including appropriate disciplinary action, based on the severity of the violation and whether the violation was inadvertent.

Added by Acts 2009, 81st Leg., R.S., Ch. 1344 (S.B. 194), Sec. 2, eff. June 19, 2009.

SUBCHAPTER G. FEES

Sec. 132.201. CERTIFICATE AND REGISTRATION FEES. (a) Certificate and registration fees, except those charged pursuant to Subsection (d), shall be collected by the commission. Each fee shall be in an amount set by the commission in an amount not to exceed 150 percent of each fee in the following schedule:

(1) the initial fee for a career school or college:

(A) for a certificate of approval is \$2,000; or

(B) for a small career school or college certificate of approval is \$1,000;

(2) the first renewal fee and each subsequent renewal fee for a career school or college is the greater of:

(A) an amount that is determined by applying a percentage, not to exceed 0.3 percent, to the gross tuition and fees, excluding refunds as provided by Section [132.061](#) or [132.0611](#), of the school or college; or

(B) \$500;

(3) the initial registration fee for a representative is \$60;

(4) the annual renewal fee for a representative is \$30;

(5) the fee for a change of a name of a career school or college or owner is \$100;

(6) the fee for a change of an address of a career school or college is \$180;

(7) the fee for a change in the name or address of a representative or a change in the name or address of a career school or college that causes the reissuance of a representative permit is \$10;

(8) the application fee for an additional program is \$150, except for seminars and workshops, for which the fee is \$25;

(9) the application fee for a director, administrative staff member, or instructor is \$15;

(10) the application fee for the authority to grant degrees is \$2,000;

(11) the application fee for an additional degree program is \$250; and

(12) the fee for an inspection required by commission rule of classroom facilities that are separate from the main campus is \$250.

(b) The commission shall periodically review and recommend adjustments in the level of fees to the legislature.

(c) For purposes of this section, the gross amount of annual student fees and tuition for a career school or college is the amount determined by the commission based on any report submitted by the school or college to the commission or other information obtained by the commission.

(d) In connection with the regulation of any career school or college or program through a memorandum of understanding

pursuant to Section [132.002\(c\)](#), the commission shall set an application and annual renewal fee, not to exceed \$2,000. The fee shall be an amount reasonably calculated to cover the administrative costs associated with assuming the additional regulation.

(e) The fee for an investigation at a career school or college to resolve a complaint filed against the school or college is \$600. The fee may be charged only if:

(1) the complaint could not have been resolved by telephone or written correspondence only;

(2) a representative of the commission visits the school or college as a part of the complaint resolution process; and

(3) the school or college is found to be at fault.

(f) The commission may allow payment of any fee authorized under this section or under Section [132.2415](#) that exceeds \$1,000 to be paid by installment. The commission shall provide for appropriate interest charges and late penalties in addition to any other remedy that is provided for by law for the late payment of a fee installment authorized under this section. The commission may assess a reasonable service charge or interest to be paid by a career school or college that pays a fee by installment in an amount not to exceed 10 percent annually of the fee that is to be paid by installment.

(g) All fees, interest, or other charges collected under this section shall be used only for the administration of this chapter.

(h) The commission may apply or prorate a fee paid by a small career school or college that has complied with the notification requirements of Section [132.064](#) toward an initial certificate as a career school or college in the event that a career school or college has ceased to qualify as a small career school or college during a certification period.

(i) The commission may charge each career school or college 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 career schools and colleges. The total amount of the fees

charged under this subsection must not exceed the cost of the service to the commission.

Added by Acts 1971, 62nd Leg., p. 2016, ch. 620, Sec. 1, eff. June 4, 1971. Amended by Acts 1973, 63rd Leg., p. 1268, ch. 463, Sec. 7, eff. June 14, 1973; Acts 1983, 68th Leg., p. 1975, ch. 359, Sec. 4, eff. Sept. 1, 1983; Acts 1985, 69th Leg., ch. 239, Sec. 28, eff. Sept. 1, 1985; Acts 1989, 71st Leg., ch. 813, Sec. 4.21, eff. Sept. 1, 1989; Acts 1991, 72nd Leg., ch. 391, Sec. 65, eff. Aug. 26, 1991; Acts 1993, 73rd Leg., ch. 1010, Sec. 7, eff. Aug. 30, 1993. Redesignated from Education Code Sec. 32.71 and amended by Acts 1995, 74th Leg., ch. 260, Sec. 2, eff. May 30, 1995. Amended by Acts 1995, 74th Leg., ch. 655, Sec. 11.50, eff. Sept. 1, 1995; Acts 2001, 77th Leg., ch. 1064, Sec. 8, eff. Sept. 1, 2001; Acts 2003, 78th Leg., ch. 364, Sec. 2.27, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 817, Sec. 8.41, eff. Sept. 1, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 747 (H.B. [2806](#)), Sec. 9, eff. September 1, 2005.

Acts 2007, 80th Leg., R.S., Ch. 496 (S.B. [309](#)), Sec. 3, eff. September 1, 2007.

Sec. 132.202. REQUIRED POSTING BY CERTAIN SCHOOLS OR EDUCATIONAL INSTITUTIONS NOT OPERATING IN THIS STATE. A school or educational institution described by Section [132.001](#)(1)(B) shall post a conspicuous notice on the home page of its website stating:

(1) that the career school or college is not regulated in Texas under this chapter;

(2) the name of any regulatory agencies that approve and regulate the school's programs in the state where the school is physically located and in which it has legal authorization to operate; and

(3) how to file complaints or make other contact with applicable regulatory agencies.

Added by Acts 2011, 82nd Leg., R.S., Ch. 1246 (S.B. [1534](#)), Sec. 4, eff. September 1, 2011.

SUBCHAPTER H. FUNDING

Sec. 132.221. FUNDING. (a) The cost of administration of this chapter shall be included in the appropriation for the commission.

(b) Fees collected by the commission shall be used to help defray the cost and expense of administering this chapter.

Added by Acts 1971, 62nd Leg., p. 2016, ch. 620, Sec. 1, eff. June 4, 1971. Redesignated from Education Code Sec. 32.81 and amended by Acts 1995, 74th Leg., ch. 260, Sec. 2, eff. May 30, 1995. Amended by Acts 1995, 74th Leg., ch. 655, Sec. 11.51, eff. Sept. 1, 1995.

SUBCHAPTER I. PROTECTION OF TUITION

Sec. 132.2415. TUITION TRUST ACCOUNT. (a) The Texas Workforce Commission depository bonds guaranty trust account is renamed the career school or college tuition trust account. The career school or college tuition trust account is the account designated to receive all amounts related to the protection of career school or college tuition. The balance of the trust account may not exceed \$1 million.

(b) The commission may collect annually a fee from each career school or college to be deposited to the credit of the career school or college tuition trust account. The total amount of the fees collected in a year shall be set by the commission in the amount estimated as necessary to pay the liabilities of the trust account during that year, not to exceed 0.2 percent of the gross amount of tuition and fees charged by career schools and colleges in that year, excluding amounts refunded under Section [132.061](#) or [132.0611](#).

(c) If, at the end of a fiscal year, the commission determines that the commission has collected fees under this chapter in excess of the amount necessary to defray the expense of administering this chapter, the commission may transfer any portion of the excess amount to the career school or college tuition trust account.

(d) From money in the career school or college tuition trust account, the commission shall attempt to provide a full refund to

each student of a closed career school or college of the amount owed to the student as determined under Section [132.061](#). The commission may provide a partial refund to a student only if the commission determines that the amount in the trust account is insufficient to provide a full refund to the student. The commission shall consider the following factors in determining the amount of a partial refund to be paid to a student:

- (1) the amount of money in the trust account;
- (2) the cost and number of claims against the trust account resulting from closure of the school or college;
- (3) the average cost of a claim paid from the trust account in the past; and
- (4) the availability of other schools or colleges, regardless of whether the school or college is a career school or college, at which the student may complete the student's training.

(e) Expired.

Added by Acts 2003, 78th Leg., ch. 364, Sec. 1.08, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 817, Sec. 8.09, eff. Sept. 1, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 747 (H.B. [2806](#)), Sec. 10, eff. September 1, 2005.

Acts 2007, 80th Leg., R.S., Ch. 496 (S.B. [309](#)), Sec. 4, eff. September 1, 2007.

Sec. 132.242. CLOSED SCHOOL OR COLLEGE. (a) If a career school or college closes, the commission shall attempt to arrange for students of the closed school or college to attend another school or college, regardless of whether the school or college is a career school or college.

(b) The expense incurred by a school or college, regardless of whether the school or college is a career school or college, in providing a teachout that is directly related to educating a student placed in the school or college under this section, including the applicable tuition for the period for which the student has paid tuition, shall be paid from the career school or college tuition trust account.

(c) If the student cannot be placed in another school or

college, regardless of whether the school or college is a career school or college, the student's tuition and fees shall be refunded under Section [132.061\(d\)](#).

(d) If a student does not accept a place that is available and reasonable in another school or college, regardless of whether the school or college is a career school or college, the student's tuition and fees shall be refunded under the refund policy maintained by the closing career school or college under Section [132.061](#).

(e) For each closed career school or college, refunds shall be paid from the career school or college tuition trust account in an amount not to exceed \$150,000.

(f) If another school or college, regardless of whether the school or college is a career school or college, assumes responsibility for the closed career school's or college's students with no significant changes in the quality of training, the student is not entitled to a refund under Subsection (c) or (d).

(g) Attorney's fees, court costs, or damages may not be paid from the career school or college tuition trust account.

Added by Acts 1989, 71st Leg., ch. 813, Sec. 4.22, eff. Jan. 1, 1992. Redesignated from Education Code Sec. 32.92 and amended by Acts 1995, 74th Leg., ch. 260, Sec. 2, eff. May 30, 1995. Amended by Acts 1995, 74th Leg., ch. 655, Sec. 11.53, eff. Sept. 1, 1995; Acts 2001, 77th Leg., ch. 1064, Sec. 9, eff. Sept. 1, 2001; Acts 2003, 78th Leg., ch. 364, Sec. 1.09, eff. Sept. 1, 2003; Acts 2003, 78th Leg., ch. 817, Sec. 8.10, eff. Sept. 1, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 747 (H.B. [2806](#)), Sec. 11, eff. September 1, 2005.

SUBCHAPTER J. CEASE AND DESIST ORDERS

Sec. 132.301. HEARING; NOTICE. (a) The commission may set a hearing on whether to issue a cease and desist order against a person under Section [132.303](#) if the commission has reason to believe that the person is operating a career school or college without a certificate issued by the commission in violation of

Section [132.151](#).

(b) The commission shall serve on the person a statement of charges and a notice of hearing, including a copy of the applicable rules of the commission.

Added by Acts 2003, 78th Leg., ch. 817, Sec. 8.08, eff. Sept. 1, 2003.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 719 (H.B. [2371](#)), Sec. 1, eff. June 15, 2007.

Sec. 132.302. HEARING. Except as agreed by the parties with prior written approval of the commission, a hearing under this subchapter must be held not earlier than the fifth day or later than the 30th day after the date of service of the statement and notice required under Section [132.301](#).

Added by Acts 2003, 78th Leg., ch. 817, Sec. 8.08, eff. Sept. 1, 2003.

Sec. 132.303. CEASE AND DESIST ORDER. After a hearing held under this subchapter, the commission may issue against the person charged with operating a career school or college without a certificate issued by the commission an order that requires that the person immediately cease and desist from violating this chapter.

Added by Acts 2003, 78th Leg., ch. 817, Sec. 8.08, eff. Sept. 1, 2003.

Sec. 132.304. ENFORCEMENT; REFERRAL TO THE ATTORNEY GENERAL. The commission may refer the matter to the consumer protection division of the attorney general's office for enforcement if the commission has reason to believe that a person has violated or failed to respond to a cease and desist order issued under this subchapter.

Added by Acts 2003, 78th Leg., ch. 817, Sec. 8.08, eff. Sept. 1, 2003.

Sec. 132.305. EFFECT OF PRIOR PROCEEDINGS. The commission

may proceed under this chapter or any other applicable law without regard to prior proceedings.

Added by Acts 2003, 78th Leg., ch. 817, Sec. 8.08, eff. Sept. 1, 2003.

Sec. 132.306. RULES. The commission shall adopt rules as necessary to implement this subchapter.

Added by Acts 2003, 78th Leg., ch. 817, Sec. 8.08, eff. Sept. 1, 2003.