

SUBJECT: Revising operation and certification of certain career schools or colleges

COMMITTEE: Economic and Small Business Development — committee substitute recommended

VOTE: 5 ayes — J. Davis, R. Anderson, Murphy, Reynolds, Sheets
0 nays
2 absent — Vo, Miles

SENATE VOTE: On final passage, April 29 — 29-2 (Lucio, Van de Putte)

WITNESSES: For — Walter Pryor, Career Education Corporation; (*Registered, but did not testify*: Dean McWilliams, Career Education Corporation; Luis Saenz, Kaplan Higher Education; Jerry Valdez, Career Colleges and Schools of Texas; Ellen Williams, Corinthian Colleges Inc.)
Against — None
On — Larry Temple, Texas Workforce Commission

BACKGROUND: Education Code, ch. 132 regulates career schools and colleges, which are privately owned and operated. The Texas Workforce Commission (TWC) has jurisdiction and control of the career schools and colleges system, but these schools also are regulated by the federal government. A career school or college that seeks to operate in Texas must meet certain criteria and receive a certificate of approval from the TWC.

According to the Education Code, a representative of a career school or college is a person employed by that school or college, whether the school or college is located within or without this state, to act as an agent, solicitor, broker, or independent contractor to directly procure students for the school or college by solicitation within or without this state at any place.

DIGEST:

CSSB 1534 would amend Education Code, sec. 132.001 to state that the definition of a “career school or college” under that section did not include a school or educational institution that was physically located in another state, was legally authorized by the state of its physical location to offer postsecondary education and award degrees, was accredited by a national accrediting organization recognized by the U.S. secretary of education in the Higher Education Act of 1965 and offered in Texas only postsecondary distance or correspondence programs of instruction.

A school or educational institution excluded from the definition of “career school or college” based on these criteria would be required to post an obvious notice on the homepage of its website stating that the career school or college was not regulated in Texas by the TWC, the name of any regulatory agencies that approved and regulated the school’s programs in the state where the school was physically located and in which it had legal authorization to operate, and how to file complaints or make other contact with applicable regulatory agencies.

The bill would repeal a provision in the Education Code requiring registration of a representative working for or on behalf of a career school or college physically located and operated from outside the state of Texas.

The bill would take effect September 1, 2011, and would apply only to a certificate of approval issued, an action filed, or any other proceeding commenced on or after that date.

**SUPPORTERS
SAY:**

CSSB 1534 would clarify who has regulatory jurisdiction over certain out-of-state education institutions. The required notification on the educational institution’s website would inform Texas residents that the institution was not regulated in Texas by the TWC or state laws pertaining to career colleges and schools and would inform them of whom to contact in the event of a problem or complaint.

The bill would ease the regulatory burden to the Texas Workforce Commission by eliminating duplication of work because certain out-of-state and online education institutions already are regulated in their home states.

OPPONENTS
SAY:

Although CSSB 1534 would ease duplication of work for the TWC, this bill could take away certain consumer protections Texas residents have under current law. It is not certain that another state would advocate on behalf of a Texas resident in the institution's home state.

NOTES:

The committee substitute differs from the Senate-passed version of the bill by adding provisions requiring institutions not operating in Texas to post a conspicuous notice on their websites and by omitting provisions relating to an annual registration fee.