

BILL ANALYSIS

Senate Research Center

H.B. 3295
By: Goolsby (West)
Administration
5/9/1999
Engrossed

DIGEST

Currently, Section 132.201, Education Code, authorizes the Texas Workforce Commission (TWC) to collect fees for the regulation of proprietary schools, and states that all fees, interests, or other charges collected must be used for the administration of the proprietary school program. However, in past fiscal years, the fees collected by TWC have exceeded the amount necessary to administer the proprietary school program. Under Section 132.241, Education Code, proprietary schools pay a fee to the credit of the "tuition protection fund" when the school pays its annual renewal fee. These schools are then subject to an additional assessed fee during any given year if the balance of the tuition fund is below \$200,000. H.B. 3295 would allow TWC to transfer any excess fees collected for the administration of the proprietary school program to the tuition protection fund, and would cap the tuition protection fund at \$250,000.

PURPOSE

As proposed, H.B. 3295 allows the Texas Workforce Commission to deposit excess proprietary school fees to the proprietary school tuition protection fund.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 132.002(a), Education Code, to provide that the following schools or educational institutions are specifically exempt from this chapter and are not within the definition of "proprietary school": 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; and 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 Texas Workforce Commission (TWC). Deletes text regarding certified public accountancy tests, public accountancy tests, law school aptitude tests, bar examinations, or medical college admission tests. Makes conforming and nonsubstantive changes.

SECTION 2. Amends Section 132.241, Education Code, by adding Subsection (e), to authorize TWC to transfer any portion of the excess amount to the tuition protection fund, if at the end of a fiscal year TWC determines that it has collected fees under this chapter in excess of the amount necessary to defray the cost and expense of administering this chapter. Prohibits the balance of the fund from exceeding an amount greater than \$250,000.

SECTION 3. Effective date: September 1, 1999.

SECTION 4. Emergency clause.