

1-1 By: West S.B. No. 1781
1-2 (In the Senate - Filed March 9, 2017; March 23, 2017, read
1-3 first time and referred to Committee on Higher Education;
1-4 April 12, 2017, reported favorably, as amended, by the following
1-5 vote: Yeas 7, Nays 0; April 12, 2017, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			

1-15 COMMITTEE AMENDMENT NO. 1 By: West

1-16 Amend S.B. 1781 by adding the following appropriately
1-17 numbered SECTION to the bill and renumbering the subsequent
1-18 SECTIONS of the bill appropriately:
1-19 SECTION 7. This Act takes effect only if a specific
1-20 appropriation for the implementation of the Act is provided in a
1-21 general appropriations act of the 85th Legislature.

1-22 A BILL TO BE ENTITLED
1-23 AN ACT

1-24 relating to the regulation of certain degree-granting
1-25 postsecondary educational institutions by the Texas Higher
1-26 Education Coordinating Board; providing administrative penalties.

1-27 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-28 SECTION 1. Subchapter G, Chapter 61, Education Code, is
1-29 amended by adding Section 61.3025 to read as follows:

1-30 Sec. 61.3025. DEFINITION: ACADEMIC RECORDS. (a) In this
1-31 subchapter, "academic records" means any information that is:

1-32 (1) directly related to a student's educational
1-33 efforts;

1-34 (2) intended to support the student's progress toward
1-35 completing a degree program; and

1-36 (3) regardless of the format or manner in which or the
1-37 location where the information is held, maintained by an
1-38 institution for the purpose of sharing among academic officials.

1-39 (b) The term "academic records" includes a student's
1-40 educational history but does not include medical records, alumni
1-41 records other than educational history, human resources records, or
1-42 criminal history record information or other law enforcement
1-43 records.

1-44 SECTION 2. Section 61.303, Education Code, is amended to
1-45 read as follows:

1-46 Sec. 61.303. EXEMPTIONS. (a) Unless specifically
1-47 provided otherwise, the [The] provisions of this subchapter do not
1-48 [in any way] apply to an institution that [which] is fully
1-49 accredited by and in good standing with a recognized accrediting
1-50 agency, or an institution or degree program that has received
1-51 approval by a state agency authorizing the institution's graduates
1-52 to take a professional or vocational state licensing examination
1-53 administered by that agency. The granting of permission by a state
1-54 agency to a graduate of an institution to take a licensing
1-55 examination does not by itself constitute approval of the
1-56 institution or degree program required for an exemption under this
1-57 subsection.

2-1 (b) The exemptions provided by Subsection (a) apply only to
 2-2 the degree level for which an institution is accredited, and if an
 2-3 institution offers to award a degree at a level for which it is not
 2-4 accredited, the exemption does not apply.

2-5 (c) The board may issue to an [An] exempt institution or
 2-6 person [may be issued] a certificate of authorization to grant
 2-7 degrees. The board may adopt rules regarding a process to allow an
 2-8 exempt institution or person to apply for and receive a certificate
 2-9 of authorization under this section.

2-10 (d) The board by rule may require an exempt institution or
 2-11 person to ensure that the financial resources and financial
 2-12 stability of the institution or person are adequate to provide
 2-13 education of a good quality and to fulfill the institution's or
 2-14 person's commitments to its enrolled students and may require the
 2-15 institution or person to provide to the board documentation of the
 2-16 institution's or person's compliance with those requirements.
 2-17 Rules adopted under this subsection must:

2-18 (1) require the institution or person to maintain
 2-19 reserves, lines of credit, or surety instruments that, when
 2-20 combined with tuition and fee receipts, are sufficient to allow the
 2-21 institution or person to fulfill its educational obligations to its
 2-22 enrolled students if the institution or person is unable to admit
 2-23 new students in an academic year for any reason; and

2-24 (2) require that the financial resources maintained
 2-25 under Subdivision (1) be conditioned to allow only the board to
 2-26 withdraw funds for the benefit of the institution's or person's
 2-27 enrolled students under the circumstance described by Subdivision
 2-28 (1).

2-29 (e) To enable the board to verify the conditions under which
 2-30 a certificate of authorization issued under this section is held,
 2-31 the board by rule may require an exempt institution or person to
 2-32 report to the board on a continuing basis other appropriate
 2-33 information in addition to the documentation required under
 2-34 Subsection (d).

2-35 (f) An exempt institution or person continues [would
 2-36 continue] in that status only if the institution or person
 2-37 maintains [so long as it maintained] accreditation by, and remains
 2-38 in good standing with, a recognized accrediting agency or otherwise
 2-39 meets [met] the provisions of Subsection (a).

2-40 (g) [~~(e)~~] The board by rule shall provide for due process
 2-41 and shall provide procedures for revoking or placing conditions on
 2-42 the exemption status of an institution or person or for revoking or
 2-43 placing conditions on a previously issued certificate of
 2-44 authorization.

2-45 (h) Under the rules described by Subsection (g), the board
 2-46 may revoke or place conditions on an institution's or person's
 2-47 exemption status or certificate of authorization only if the board
 2-48 has reasonable cause to believe that the institution or person has
 2-49 violated this subchapter or any rule adopted under this subchapter.

2-50 (i) Before revoking or placing conditions on an
 2-51 institution's or person's exemption status or certificate of
 2-52 authorization under Subsection (h), the board must provide to the
 2-53 institution or person written notice of the board's impending
 2-54 action and include the grounds for that action.

2-55 (j) If the board places conditions on an institution's or
 2-56 person's exemption status or certificate of authorization under
 2-57 Subsection (h), until the board removes the conditions, the board
 2-58 may reexamine the applicable institution or person at least twice
 2-59 annually following the date the board provided notice under
 2-60 Subsection (i).

2-61 (k) [~~(f)~~] A private postsecondary educational institution
 2-62 may not establish or operate a branch campus, extension center, or
 2-63 other off-campus unit in Texas except as provided by this
 2-64 subsection or the rules of the board. This subsection does not
 2-65 apply to a private or independent institution of higher education
 2-66 as defined by Section 61.003.

2-67 SECTION 3. Subchapter G, Chapter 61, Education Code, is
 2-68 amended by adding Section 61.3075 to read as follows:

2-69 Sec. 61.3075. REQUIRED FINANCIAL RESOURCES. The board by

3-1 rule may require an institution operating under a certificate of
3-2 authority, or seeking to operate under a certificate of authority,
3-3 to ensure that the financial resources and financial stability of
3-4 the institution are adequate to provide education of a good quality
3-5 and to fulfill the institution's commitments to its enrolled
3-6 students and may require the institution to provide to the board
3-7 documentation of the institution's compliance with those
3-8 requirements. Rules adopted under this subsection must:

3-9 (1) require the institution to maintain reserves,
3-10 lines of credit, or surety instruments that, when combined with
3-11 tuition and fee receipts, are sufficient to allow the institution
3-12 to fulfill its educational obligations to its enrolled students if
3-13 the institution is unable to admit new students in an academic year
3-14 for any reason; and

3-15 (2) require that the financial resources maintained
3-16 under Subdivision (1) be conditioned to allow only the board to
3-17 withdraw funds for the benefit of the institution's enrolled
3-18 students under the circumstance described by Subdivision (1).

3-19 SECTION 4. Section 61.315, Education Code, is amended to
3-20 read as follows:

3-21 Sec. 61.315. AGENTS AND RECORDS; ACADEMIC RECORDS
3-22 REPOSITORY. (a) The authorized or certified institutions may be
3-23 required to provide ~~[furnish]~~ a list of their agents to the board,
3-24 and to maintain in a manner specified by the board the academic
3-25 records of enrolled or former students ~~[enrolled]~~, including
3-26 records of credits ~~[awarded]~~ and degrees awarded, and provide
3-27 those records to the board on request ~~[in a manner specified by the~~
3-28 ~~board]~~.

3-29 (b) The board may maintain a repository for academic records
3-30 from closed institutions that were exempt or were authorized to
3-31 operate under a certificate of authorization or certificate of
3-32 authority. The board may discontinue its maintenance of the
3-33 repository if adequate funding is not provided for that
3-34 maintenance. The academic records repository is considered to be a
3-35 repository of last resort. If a closed institution is part of a
3-36 larger educational system or corporation, that system or
3-37 corporation shall maintain the academic records. If students of
3-38 the closed institution transfer to another institution through an
3-39 agreement between the institutions to continue the students' degree
3-40 programs, the institution responsible for accepting the
3-41 transferring students shall maintain those academic records.

3-42 SECTION 5. Section 61.316, Education Code, is amended by
3-43 adding Subsection (e-1) to read as follows:

3-44 (e-1) Any authorized or certified institution that fails to
3-45 maintain in a manner specified by the board the academic records of
3-46 enrolled or former students, including records of credits and
3-47 degrees awarded, or that fails to protect the personally
3-48 identifiable information of enrolled or former students shall be
3-49 assessed an administrative penalty of not less than \$100 or more
3-50 than \$500 for each student whose academic record was not maintained
3-51 or whose personally identifiable information was not protected.

3-52 SECTION 6. The Texas Higher Education Coordinating Board
3-53 shall adopt the rules required by Subchapter G, Chapter 61,
3-54 Education Code, as amended by this Act, as soon as practicable after
3-55 the effective date of this Act.

3-56 SECTION 7. This Act takes effect September 1, 2017.

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