

BILL ANALYSIS

Senate Research Center
83R19647 AED-F

H.B. 2000
By: Thompson, Senfronia (Hancock)
Economic Development
5/9/2013
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The federal government has certain standards that colleges must meet for their students to be eligible for federal student loans and recently updated these requirements for career schools and colleges. The changes in federal law require changes in state laws so that students of career schools and colleges can continue to be eligible to receive federal loans.

H.B. 2000 seeks to make the changes necessary for students of nonprofit career schools and colleges to be eligible for federal student loans.

H.B. 2000 amends current law relating to the qualification of certain nonprofit schools and educational institutions for exemption from state laws regulating career schools and colleges and to complaints made against those entities.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 132.002, Education Code, by adding Subsections (d-1), (h), (i), (j), and (k), as follows:

(d-1) Authorizes a school or educational institution exempted from this chapter (Career Schools and Colleges) to offer training in this state allowed by the exemption.

(h) Prohibits 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.), from being exempted from this chapter by the Texas Workforce Commission (TWC) on the basis of Subsection (a)(2) (relating to authorizing certain schools or educational institutions to be exempted from this chapter by TWC under Subsection (d) (relating to exempting from regulation under this chapter, except under certain circumstances, only if certain criteria are met) 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) unless the school or institution demonstrates to TWC 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) Provides that, 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) Authorizes a school or educational institution to 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) Requires the Texas Higher Education Coordinating Board (THECB) to take appropriate action, including by making appropriate referrals to an accrediting agency or to the attorney general, to address any complaint received by THECB 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 THECB.

SECTION 2. Effective date: upon passage or September 1, 2013.