CHAPTER 807. CAREER SCHOOLS AND COLLEGES

ADOPTED RULES WITH PREAMBLE TO BE SUBMITTED TO THE TEXAS REGISTER. THIS DOCUMENT WILL HAVE NO SUBSTANTIVE CHANGES BUT IS SUBJECT TO FORMATTING CHANGES AS REQUIRED BY THE TEXAS REGISTER.

ON OCTOBER 25, 2016, THE TEXAS WORKFORCE COMMISSION ADOPTED THE BELOW RULES WITH PREAMBLE TO BE SUBMITTED TO THE TEXAS REGISTER.

Estimated date of publication in the Texas Register: November 11, 2016
The rules will take effect: November 14, 2016

The Commission adopts amendments to the following sections of Chapter 807, relating to Career Schools and Colleges, without changes, as published in the August 9, 2016, issue of the Texas Register (41 TexReg 6462):

Subchapter A. General Provisions, §807.2 and §807.7
Subchapter B. Certificates of Approval, §807.11 and §807.15
Subchapter E. School Director and Administrative Staff, §807.62
Subchapter H. Courses of Instruction, §807.122
Subchapter J. Advertising, §807.175
Subchapter N. Cancellation and Refund Policy, §807.262 and §807.264
Subchapter O. Records, §807.281 and §807.282
Subchapter R. Closed Schools, §807.342
Subchapter S. Sanctions, §807.353
Subchapter T. Cease and Desist Orders, §807.362 and §807.365

The Commission adopts the repeal of the following section of Chapter 807, relating to Career Schools and Colleges, without changes, as published in the August 9, 2016, issue of the Texas Register (41 TexReg 6462):

Subchapter A. General Provisions, §807.5 Exemptions

PART I. PURPOSE, BACKGROUND, AND AUTHORITY
PART II. EXPLANATION OF INDIVIDUAL PROVISIONS

PART I. PURPOSE, BACKGROUND, AND AUTHORITY

Texas law charges the Agency with exercising jurisdiction and control of the oversight of career schools and colleges operating in Texas. The Agency's Career Schools and Colleges department (CSC) licenses and regulates most private postsecondary career schools and colleges that offer vocational training or continuing education to Texas residents. The Agency currently regulates more than 560 career schools and colleges, which provide training to more than 160,000 students annually.

Senate Bill (SB) 563, passed by the 82nd Texas Legislature, Regular Session (2011), required the Agency to establish a pilot program to improve the efficiency and quality of Agency
operations while reducing costs, and to adopt a structured approach for identifying the wasteful
use of state resources and improving Agency processes. These rules reflect improvements to
regulations and efficiency resulting from implementation of the bill.

Texas law requires the Agency to administer the provisions of Texas Education Code, Chapter
132, enforce minimum standards for approval and regulation of career schools and colleges, and
adopt policies and rules necessary for carrying out the responsibilities of Chapter 132. To fulfill
this role, the Agency investigates complaints about schools, monitors schools to ensure
regulatory compliance, arranges for the disposition of students affected by a school closure, and
administers the tuition trust account to pay tuition refunds to students when a school closes. In
carrying out its regulatory duties, CSC seeks to:
--hold all businesses meeting the definition of a career school or college to consistent standards
of quality, performance, and regulatory oversight;
--provide consumer protection for Texas students; and
--ensure students receive quality training that meets the needs of Texas employers.

To support the Agency's ability to effectively and efficiently protect students, regulate career
schools and colleges, and meet employer needs, and to improve consumer disclosures that allow
informed choices, the Commission adopts amendments in several key areas. The amendments
enumerate the Commission's expectations and use of its regulatory authority in areas in which
recent violations and possible abuses have been identified. Additionally, the amendments are
intended to increase transparency of regulatory requirements and the overall performance of
career schools and colleges.

Further, to support effective and efficient Agency response to the needs of schools, students, and
consumers, and to provide direction to career schools and colleges regulated by the Agency, the
Chapter 807 amendments:
--add definitions for "response deadline" and "address of record" and amend the definition of
"date of notice";
--removing a requirement for a school to receive an exemption;
--modify the exemption requirements for accredited, degree-granting career schools and
colleges;
--consolidate the exemption requirements into one section;
--shorten the time for a career school or college to receive an original license;
--require career schools and colleges to notify the Agency of changes in accreditation and Title
IV status;
--remove a duplicative requirement for school directors;
--require schools whose program approval was revoked for failing to meet the minimum
employment rate for three consecutive years to wait a minimum of one year and submit a
reimplementation plan before reapplying for approval of the program;
--require schools that charge tuition and fees based on more than one period to fully disclose
information to students that will allow them to understand the charges;
--emphasize that schools must disclose all catalog changes and that there are sanctions for failure
to comply;
--clarify the order of refunds paid by schools;
--add Local Workforce Development Boards (Boards) as possible recipients of refunds and any associated penalties paid by schools for late refunds;
--change the requirement for an audit based on incorrect calculation of refunds or for late payment to an agreed-upon procedures engagement;
--require schools to protect student records, whether physical or electronic, from damage, loss, or misuse;
--require schools to properly maintain and dispose of student information and records;
--clarify the method and order of refunds paid from the tuition trust account;
--amend the penalty matrix to define what constitutes an instance;
--remove the provision for oral argument while preserving the right of written appeal; and
--remove the requirement to send a copy of CSC rules with the statement of charges in a cease and desist notice.

PART II. EXPLANATION OF INDIVIDUAL PROVISIONS
(Note: Minor editorial changes are made that do not change the meaning of the rules and, therefore, are not discussed in the Explanation of Individual Provisions.)

Texas Government Code §2001.039 requires that every four years each state agency review and consider for readoption, revision, or repeal each rule adopted by that agency. The Commission has conducted a rule review of Chapter 807, Career Schools and Colleges, and adopts the following amendments:

SUBCHAPTER A. GENERAL PROVISIONS
The Commission adopts the following amendments to Subchapter A:

§807.2. Definitions

New §807.2(7) is added to create a definition for "address of record" that requires each career school or college to establish a distribution list e-mail address of record that consistently maintains a minimum of two current subscribers, with the format of the address to be "School#Director@xdomain," e.g., S1111Director@gmail.com.

Creating a definition for "address of record" to require an Internet presence reflects the current best practice among career schools and colleges. Moreover, modernizing the address of record for career schools and colleges ensures a consistent point of contact for notice, both for students and for the Agency, regardless of a school's choice to physically relocate.

Section 807.2(16) is amended to change the definition of "Date of Notice" from the date the Agency receives the notice to the date it is mailed, which accords with the definition in statute and simplifies establishing the date. Existing §807.2(16) is also renumbered to §807.2(17) to accommodate the addition of new definitions within this section.

New §807.2(33) is added to create a definition for "response deadline," clarifying that deadlines that fall on a weekend, an official state holiday, a state holiday for which minimal staffing is required, or a federal holiday are extended one working day.
This addition reflects typical Agency practice and will ensure consistent interpretation regarding timely filing, both for career schools and colleges and for Agency staff.

**Comment:** One commenter opined that the proposed format, "School#Director@xdomain," would be inapplicable to schools with multiple locations and a corporate office separate from a campus. The commenter requested maintaining the current practice.

**Response:** The current practice, in which each school identifies an e-mail address, has proven to be an unreliable method for contacting the schools. Many schools use an e-mail address specific to the school director. If the Agency has not been notified of that director's departure, which is often the case, the e-mail is not received. The Agency routinely corresponds with approximately 600 career schools, and with increasing use of e-mail, it is important for protection of the school's rights that the Agency has a dependable method of ensuring that e-mail is received and promptly read. The amendment would not only establish a standard address protocol, but also requires a minimum of two subscribers. One of these could be a corporate contact, or additional subscribers could be added.

**Comment:** One commenter asked when the response period would start—whether it would be when mailed, when received, or another time. The commenter further stated that responding to the Agency is an important matter.

**Response:** The Agency will continue the current practice of stating the deadline for responding in the body of the notice, for example, "within 20 days of the date mailed."

§807.5. Exemptions
The Commission adopts the repeal of §807.5 in its entirety. The contents of this section will be included in an amendment to §807.7(e).

807.7. Exemptions
Section 807.7(a)(c) and (d) are amended to delete "or educational institution" from the phrase "school or educational institution," to conform with existing definitions.

New §807.7(e) is moved from previous §807.5(2) - (5) and relettered.

SUBCHAPTER B. CERTIFICATES OF APPROVAL
The Commission adopts the following amendments to Subchapter B:

§807.11. Original Approvals
Section 807.11(b) is amended to reduce processing time frames from 180 days to 90 days.

Section 807.11(c) is amended to reduce response time frames from 30 days to 21 days.

In undergoing a Rapid Process Improvement (RPI) review, CSC streamlined critical application review processes, thereby reducing the time required for Agency staff to fully process an original
application. The RPI review also identified process efficiencies that allowed for a reduction in
response time frames from career schools and colleges.

Comment: One commenter wished to extend appreciation for reduced time for approvals
to allow career schools and colleges to continue to meet the demands of employers.

Response: The Agency concurs and appreciates the expression of support.

§807.15. Notification of Legal Actions
Section 807.15 is amended to read "Notification of Actions" from "Notification of Legal
Action."

Updating the title of §807.15 reflects the need to broaden the terminology to include other
critical notification requirements. Restricting notification solely to legal actions overlooked
critical changes to schools' eligibility-related requirements and operational status. Such changes
are discussed in more detail in new §807.15(d).

Section 807.15 is amended to add subsection (d), to require schools to report, in writing and
within five days, any change in accreditation status or Title IV status, e.g., Heightened Cash
Monitoring 1 or 2, loss of eligibility, composite score, 90/10 ratio or default rate problems, or
other similar changes.

Any change to a school's accreditation status or Title IV status is critical knowledge for
consumers; as such changes can affect transferability of credits and the ability to secure federal
student loans.

SUBCHAPTER E. SCHOOL DIRECTOR AND ADMINISTRATIVE STAFF
The Commission adopts the following amendments to Subchapter E:

§807.62. School Director Qualifications and Duties
Section 807.62(e) is removed; subsequent subsections are relettered to reflect the removal of this
subsection.

The requirement for the school director to sign and agree to the terms of the Director's Statement
found in §807.62(e) is no longer needed. RPI review identified the form as a redundant requirement.

SUBCHAPTER H. COURSES OF INSTRUCTION
The Commission adopts the following amendments to Subchapter H:

§807.122. General Information for Courses of Instruction.
Section 807.122 is amended to add the following language:
(a) A school shall not apply for approval of a program that is substantially similar to a
discontinued or revoked program, unless the application for approval is submitted at least one
year after the date of discontinuation or revocation, and:
(1) the school's approved programs are all meeting the employment rate as referenced in
§807.131(b), at the time of application; and
(2) the school submits a reimplementation plan to the Agency.

A school whose remaining programs all meet the minimum rate at the time of application and which provides an implementation plan for a revoked program, may reapply for approval after the one-year period. Programs found to be substantially similar to a revoked program would also be subject to the same requirements.

Subsequent subsections are relettered to reflect additions.

Comment: The commenter questioned the need for the additional requirements if the new program is not related to the discontinued or revoked program.

Response: The Agency points out that the requirements only apply to a program that is substantially similar to a discontinued or revoked program, not to an unrelated program.

SUBCHAPTER J. ADVERTISING
The Commission adopts the following amendments to Subchapter J:

§807.175. Catalog
New §807.175(c) is added to require a school catalog to include specific information about tuition and fees calculations based on one or more period of time, e.g., semester, quarter.

Requiring schools that charge tuition and fees based on one or more period to completely disclose information to students allowing them to understand the charges and ensuring full disclosure to students, parents, and other funding sources. Further, the basis of a school's charges is established clearly, both for students and the Agency, should issues arise, including, but not limited to, calculation of refunds.

New §807.175(d) is added to require schools to disclose all changes and to advise schools that there are sanctions for failing to comply.

This language is designed to ensure that schools keep their policies current, both for students and for the Agency, and to emphasize the importance of prompt notification of changes to such policies.

SUBCHAPTER N. CANCELLATION AND REFUND POLICY
The Commission adopts the following amendments to Subchapter N:

§807.262. Completion of Refund
New §807.262(d) is added to delineate the proper recipients of refunds and to establish that refunds will be paid in the following order: 1) any federal loans; 2) any private loans; 3) credit card or cash payments made by the student; and 4) other funding sources, including Boards. Clarifying who can receive refunds and the order in which refunds are made are critical to ensuring proper and timely distribution of any refunds.
Current Agency rules do not delineate the recipients or the order of refunds to students by schools. In addition to direct payment from a student, payment may be made on behalf of a student by a bank or other lending institution, or by federal entities. A student's tuition may also be paid directly to a school by an employer or by another funding source, including Boards. The language is added to clarify the order in which refunds will be made to various funding sources and that, when payment is not made by a student but is made on the student's behalf, that funding source is entitled to recover any refund, as appropriate.

Comment: One commenter was unsure of the meaning of the term "Board" and noted that it was not contained in the definitions.

Response: This was not included because the term "Board" is defined in Texas Workforce Commission rule §800.2(4) as a Local Workforce Development Board, created pursuant to Texas Government Code §2308.253 and certified by the governor pursuant to Texas Government Code §2308.261. This includes such a Board when functioning as the Local Workforce Investment Board, including those functions required of a Youth Council. The definition of Board shall apply to all uses of the term in the rules contained in this part, or unless otherwise defined, relating to the Texas Workforce Commission, that are adopted after February 1, 2001.

§807.264. Penalties Relating to Refunds

Current §807.264(b) is amended to remove the provision that any late refunds for grants $15 or less are to be paid to the tuition trust account (TTA).

This language is intended to clarify Agency practice.

New §807.264(b)(3) adds new language, including adding Boards as potential recipients in the payment of penalties for late refunds.

This new language is added to align with new §807.262(d) to ensure that Boards are treated equivalently to students paying for themselves.

As a Board pays for the education or training services on behalf of an individual, the Board is entitled to receive any penalties relating to a recovered refund, as appropriate.

Section 807.264(c) is amended to require schools to submit an agreed-upon procedures engagement when the Agency determines the method used to calculate refunds is in error or the school does not pay refunds within the specified time limit. This language is added to increase the reliability of schools' refund calculations.

Section 807.264 is further amended by adding subsection (d) listing the requirements of the opinion letter, deleting the requirement for an audited report, and instead requiring an agreed-upon procedures engagement that requires an independent CPA to examine all files for students who did not complete a course of study to determine compliance with the most restrictive of: 1) the Act; 2) this chapter; or 3) the school catalog current at the time of the student's enrollment.
Comment: One commenter stated that the new language in subsection (d) seems excessive and redundant to the current process and that they are not certain if these items would only be requested under penalty or as part of the initial information gathering of a refund dispute.

Response: The information requested in subsection (d) is essentially the same information as currently requested in subsection (c), with clarification that if necessary, the same information will be required for recalculated refunds, with the addition of "other information requested by the Agency to demonstrate compliance" to ensure provision for unforeseen circumstances. The requirement was moved to provide clarity as part of the restructuring of the section. Subsection (c) clearly states that the information will only be required if the Agency determines that the method used by the school to calculate refunds is in error or that the school does not routinely pay refunds timely.

SUBCHAPTER O. RECORDS
The Commission adopts the following amendments to Subchapter O:

§807.281. General Information for Records
Section 807.281(b) is amended to clarify that records may be electronic; to add that records must be protected against damage, loss, or misuse; and to direct that records be available to the Commission for inspection.

Updating this rule will ensure that the Agency can protect student records, whether retained in hard copy or electronic copy.

Comment: One commenter stated that §807.281(b)(2) was vague and requested further explanation, and that without clarification the commenter would consider this to be an additional expense without guidance as to type of product or service. The commenter further stated that the accrediting bodies recognized by the USDOE [sic] have a standard that they would encourage duplicating.

Response: The Agency reviewed the requirements of five of the accreditors recognized by the U.S. Department of Education that are most used by regulated schools before deciding on language. All five address protecting against the risk of loss; three address damage and give examples of fire, water, and theft; and three address forms of misuse. The accreditor whose standard most closely resembles the amendment is Accrediting Commission of Career Schools and Colleges, whose standard requires that “These records (physical or electronic) must be securely maintained and protected against damage or loss (e.g., fire, water, theft, tampering, etc.).”

§807.282. Student Records
Section 807.282’s title is amended to read "Student Information and Records."

Updating the title of §807.282 reflects a broader terminology that includes other information in addition to what is statutorily defined as student records.
New §807.282(d) and (e) are added to provide detail regarding appropriate methods of record  
maintenance and destruction to improve accountability and protection of students' sensitive personal  
information and provide clarity regarding minimum record destruction standards to enhance  
objective evaluation of compliance.

SUBCHAPTER R. CLOSED SCHOOLS
The Commission adopts the following amendments to Subchapter R:

§807.342. Tuition Trust Account
Section 807.342(c) is amended to clarify that discharges will be determined before making refunds  
and that other funding sources are only refunded if an amount remains after the Commission has  
attempted to provide full refunds to students.

This wording change is designed to ensure that all outstanding liabilities are accounted for, thereby  
maximizing the effectiveness of the tuition trust account.

SUBCHAPTER S. SANCTIONS
The Commission adopts the following amendments to Subchapter S:

§807.353. Administrative Penalties
Section 807.353(e) is amended to define violation and repeat offense penalties. The violation for  
failure to respond to an Agency request is repealed, as no scenario exists in which a school  
would not have already received a penalty for the violation that occurred when the school failed  
to respond.

Amended §807.353(e) includes a definition of "Instance" when referring to each violation and  
adds new violations for protection and disposal of sensitive student personal information.

SUBCHAPTER T. CEASE AND DESIST ORDERS
The Commission adopts the following amendments to Subchapter T:

§807.362. Contents of Statement of Charges and Notice of Hearing
Section 807.362 is amended to remove the requirement to send a copy of the CSC rules with the  
statement of charges for a cease and desist notice.

Sending a hard copy of rules is not a statutory requirement, adds costs, and is unnecessary, given  
that all rules are accessible and up to date on the Agency website.

§807.365. Hearing Decision and Final Review by the Commission.
Section 807.365 is amended to eliminate the provision for oral argument, while preserving the  
right of written appeal to the Commission.

Oral argument before the Commission is not a statutory requirement and creates conflict with the  
requirement that the Commission's decision be made on the basis of the record of the hearing  
officer.
**Comment:** One commenter was concerned to see the removal and elimination of the provision for "verbal response during the hearing decision and final review process."

**Response:** This section only deals with cease and desist hearings involving unlicensed schools, and it does not affect the conduct of hearings held under Subchapter U, which governs the conduct of all other career school and college hearings, or the appeal rights of the parties. This section aligns the process with other similar Agency processes.

**Comments were received from:**

Jerry Valdez, Executive Director, Career Colleges & Schools of Texas

The Agency hereby certifies that the adoption has been reviewed by legal counsel and found to be within the Agency's legal authority to adopt.

The rules are adopted under Texas Labor Code §301.0015 and §302.002(d), which provide the Texas Workforce Commission with the authority to adopt, amend, or repeal such rules as it deems necessary for the effective administration of Agency services and activities.

The adopted rules affect Texas Government Code, Chapter 552.
CHAPTER 807. CAREER SCHOOLS AND COLLEGES

SUBCHAPTER A. GENERAL PROVISIONS

§807.2. Definitions.

In addition to the definitions contained in §800.2 of this title, the following words and terms, when used in this chapter, shall have the following meanings unless the context clearly indicates otherwise.

1. Academic quarter--A period of instruction that includes at least ten weeks of instruction, unless otherwise approved by the Agency.

2. Academic semester--A period of instruction that includes at least 15 weeks of instruction, unless otherwise approved by the Agency.

3. Academic term--An academic quarter, academic semester, or other progress evaluation period.

4. Academically related activity--An exam, tutorial, computer-assisted instruction, academic counseling, academic advisement, turning in a class assignment, or attending a study group that is assigned by the institution, or other activity as determined by the Agency.

5. Accountant--An independent certified public accountant properly registered with the appropriate state board of accountancy.


7. Address of record--In addition to the mailing address contained in the application for a certificate of approval, each career school or college shall establish an e-mail address of record for a distribution list that consistently maintains a minimum of two current subscribers, with the format of the address to be "School#Director@xdomain," e.g., S1111Director@gmail.com.

8. Advertising--Any affirmative act designed to call attention to a school or program for the purpose of encouraging enrollment.

9. Agency--The unit of state government established under Texas Labor Code, Chapter 301, that is presided over by the Commission and administered by the executive director to operate the integrated workforce development system and administer the unemployment compensation insurance program in this state as established under the Texas Unemployment Compensation Act, Texas Labor Code Annotated, Title 4, Subtitle A, as amended. The definition of Agency shall apply to all uses of the term in rules contained in this chapter.
(10) Appellant--The party or the party's authorized hearing representative who files an appeal from an appealable determination or decision.

(11) Asynchronous distance education--Distance education training that the Agency determines is not synchronous.

(12) Class or course--An identifiable unit of instruction that is part of a program of instruction.

(13) Commission--The body of governance of the Texas Workforce Commission composed of three members appointed by the governor as established under Texas Labor Code §301.002 that includes one representative of labor, one representative of employers, and one representative of the public. The definition of Commission shall apply to all uses of the term in rules contained in this subchapter.

(14) Coordinating Board--The Texas Higher Education Coordinating Board.

(15) Course of instruction--A program or seminar.

(16) Course time--A course or class period that is:

   (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.

(17) Date of notice--The date the notice is mailed, unless good cause exists for the hearing officer to determine otherwise.

(18) Date of request of hearing--The date on which the appellant or the hearing representative filed a written notice of appeal with the Agency by hand delivery, facsimile, or mail. If an appeal is mailed to the Agency, then the appeal is perfected as of the postmark date on the envelope containing the appeal request unless good cause exists for the hearing officer to determine otherwise. If an appeal is delivered by hand or facsimile after 5:00 p.m., the date of request shall be the next day.

(19) Distance education course--Either a seminar or a program that is offered to non-residence school students via correspondence or other media from a remote site on a self-paced schedule, excluding programs using interactive instruction.
(20) Distance education school--A school that offers only distance education courses.

(21) Employment--A graduating or graduate student's employment in the same or substantially similar occupation for which the student was trained.

(22) Good reputation--The possession of honesty and truthfulness, trustworthiness and reliability, and a professional commitment to the educational process and the training or preparing of a person for a field of endeavor in a business, trade, technical, or industrial occupation, as well as the condition of being regarded as possessing such qualities. In determining whether a person is of good reputation, the Agency is not limited to the following acts or omissions. The Agency may consider similar acts or omissions and rehabilitation efforts in response to prior convictions in making its determination. A person is considered to be of good reputation if the person:

(A) has never been convicted of a felony or any other crime that would constitute risk of harm to the school or students as determined by the Agency;

(B) has not been successfully sued for fraud or deceptive trade practices, or breach of contract, within the last 10 years;

(C) does not own or administer a school currently in violation of legal requirements, has never owned or administered a school with repeated violations, and has never owned or administered a school that closed with violations including, but not limited to, unpaid refunds; or

(D) has not knowingly falsified or withheld information from the Agency.

(23) Hearing--An informal, orderly, and readily available proceeding held before an impartial hearing officer. A party or hearing representative may present evidence to show that the Agency's determination should be reversed, affirmed, or modified.

(24) Hearing officer--An Agency employee designated to conduct impartial hearings and issue final administrative decisions.

(25) Hearing representative--Any individual authorized by a party to assist the party in presenting the party's appeal. A hearing representative may be legal counsel or another individual. Each party may have a hearing representative to assist in presenting the party's appeal.

(26) Job placement--An affirmative effort by the school to assist the student in obtaining employment in the same or substantially similar stated occupation for which the student was trained.
(27) Master student registration list--A comprehensive list with an entry made for any person who signs an enrollment agreement, makes a payment to attend the school, or attends a class. The entry shall be made on the date the first of these events occurs.

(28) Party--The person or entity with the right to participate in a hearing authorized in applicable statute or rule.

(29) Program or program of instruction--A postsecondary program of organized instruction or study that may lead to an academic, professional, or vocational degree, certificate, or other recognized educational credential.

(30) Refund--The completed payment of a refund such that the refund instrument has been negotiated or credited into the proper account(s).

(31) Reimbursement contract basis--A school operating, or proposing to operate, under a contract with a state or federal entity in which the school receives payment upon completion of the training.

(32) Residence school--A school that offers at least one program that includes classroom instruction or synchronous distance education.

(33) Response deadline--Deadlines that fall on a weekend, an official state holiday, a state holiday for which minimal staffing is required, or a federal holiday are extended one working day.

(34) Sanctions--Administrative or civil actions, including, but not limited to, penalties, revocation of approvals, or cease and desist orders taken by the Agency against an entity in response to violations of the Act or this chapter.

(35) School--A "career school or career college," as defined in the Act, that includes each location where courses of instruction shall be offered.

(36) Secondary education--Successful completion of public, private, or home schooling at the high school level or obtainment of a recognized high school equivalency credential.

(37) Seminar--A course of instruction that enhances a student's career, as opposed to a program that teaches skills and fundamental knowledge required for a stated occupation. A seminar may include a workshop, an introduction to an occupation or cluster of occupations, a short course that teaches part of the skills and knowledge for a particular occupation, language training, continuing professional education, and review for postsecondary examination.

(38) Seminar school--A school that offers only seminars.
(39) Small school--A "small career school or college" as defined in the Act.

(40) Stated occupation--An occupation for which a program is offered that:

(A) is recognized by a state or federal law or by a state or federal agency as existing or emerging;

(B) is in demand; and

(C) requires training to achieve entry-level proficiencies.

(41) Student--Any individual solicited, enrolled, or trained in Texas by a school.

(42) Suspension of enrollments--A sanction that requires the school to suspend enrollments, re-enrollments, advertising, and solicitation, and to cease, in any way, advising prospective students, either directly or indirectly, of the available courses of instruction.

(43) Synchronous distance education--The Agency may determine distance education to be synchronous under the following conditions:

(A) the training is conducted simultaneously in real time, or the training is conducted so that the manner of delivery ensures that even if the instructor and student are separated by time, the course time of instruction that the student experiences can be determined; and

(B) there is consistent interaction between the student(s) and the instructor on a schedule that includes a definite time for completion of the program and periodic verifiable student completion/performance measures that allow the application of the progress standards of Subchapter L and attendance standards of Subchapter M of this chapter.

(44) Title IV school--A career school or college that participates in student financial aid programs under Title IV, Higher Education Act of 1965 (20 U.S.C. Section 1070 et seq.).

(45) Tour--A required, in-person inspection of the facilities and equipment pertaining to a course of instruction.

(46) Week--Seven consecutive calendar days.
§807.7. Exemptions.

(a) A school may apply to the Commission for an exemption under §132.002 or §132.003 of the Texas Education Code.

(b) The Commission shall grant the requested exemption if the Commission determines that the school meets the requirements for an exemption under §132.002 or §132.003 of the Texas Education Code.

(c) The Commission may deny or revoke an exemption in the same manner as a denial or revocation of a certificate of approval, if the Commission determines that the school does not meet the requirements for the exemption under §132.002 or §132.003 of the Texas Education Code.

(d) A school may appeal the denial or revocation of an exemption in accordance with the provisions of Subchapter D of the Texas Education Code.

(e) A school applying for an exemption from the provisions of Texas Education Code §132.002(a)(6) must provide evidence that:

(1) the school has a certificate of authorization from the Coordinating Board to grant baccalaureate or higher-level degrees or a letter from the Coordinating Board indicating that Coordinating Board approval is not required;

(2) the school is accredited by a Coordinating Board--recognized accrediting body;

(3) the school is in good standing with the designated accrediting body and not subject to:

   (A) probation;

   (B) a directive to show cause as to why accreditation should not be revoked; or

   (C) any other action that, as defined by the accrediting agency, will prevent the school from seeking approval of its degree programs; and

(4) at least a simple majority (51 percent) of credits earned in the educational programs of the school are transferable to educational programs that are:

   (A) at an equivalent or higher academic level (e.g., baccalaureate to baccalaureate or higher);
(B) at a junior college, college, or university supported entirely or partly by taxation from a local or state source; and

(C) within the same local/regional service area as the offered program, as determined by the Agency.

SUBCHAPTER B. CERTIFICATES OF APPROVAL

§807.11. Original Approvals.

(a) A complete application for an original certificate of approval shall consist of the following:

(1) a completed application form provided by the Commission;

(2) complete and correct financial statements, as specified in this chapter, demonstrating the school is financially stable and capable of fulfilling its commitments for training;

(3) the application fee as specified in this chapter; and

(4) any other revisions or evidence necessary to bring the school's application for approval to a current and accurate status as requested by the Commission.

(b) Schools shall fully satisfy the Agency application requirements within 90 days of receipt of the original application or the application may be considered withdrawn.

(c) If a school fails to respond to a request for additional information within 21 days, the Commission may withdraw the application.

(d) To reapply, a school shall submit:

(1) a complete application as required in subsection (a) of this section; and

(2) an affidavit stating that the school will not reopen until it has been issued a Certificate of Approval.

§807.15. Notification of Actions.

(a) Unless otherwise instructed by the Commission, a school shall notify the Commission in writing of any legal action to which the school, any of its owners, representatives, or management employees is a party.

(b) A school shall notify the Commission in writing of any legal action described in this section no later than five business days after the action is known to be filed or the school, owner, representative, or management employee is served.
(c) A school shall include, with the notice required in this section, a file-marked copy of the petition, complaint, or other legal instrument, including copies of any judgments.

(d) A school shall notify the Commission in writing no later than five business days after receiving notice of any change in accreditation status or Title IV status, including but not limited to, Heightened Cash Monitoring 1 or 2, loss of eligibility, composite score, 90/10 ratio or default rate problems, or other similar changes.

SUBCHAPTER E. SCHOOL DIRECTOR AND ADMINISTRATIVE STAFF

§807.62. School Director Qualifications and Duties.

(a) A school director of a small school shall have administrative or management experience and shall be of good reputation.

(b) A school director of other than a small school shall be of good reputation and have a total of five years of administrative or management experience. An equivalent duration of higher education, college or university, may be substituted for each year of experience.

(c) The school shall obtain Commission approval for the school director before employment of the school director.

(d) The school director is responsible for the courses of instruction, organization of classes, designation of a liaison for Commission compliance visits, maintenance of the school facilities and proper administrative records, and all other matters related to the administration of the school, as determined by the Commission.

(e) The Commission may require the school director to attend additional training to continue approved director status if a school has more than one substantiated complaint from students during a one-year period. If the school has repeat violations from a previous year under the same director, the Commission may revoke the approval of the school director.

(f) The school director shall:

(1) ensure that all facilities, including housing endorsed by the school, comply with local, city, county, municipal, state, and federal regulations such as, but not limited to, fire, building, and sanitation codes; and

(2) inspect facilities, including housing, before endorsement.
§807.122. General Information for Courses of Instruction.

(a) A school shall not apply for approval of a program that is substantially similar to a discontinued or revoked program, unless the application for approval is submitted at least one year after the date of discontinuation or revocation, and:

(1) the school’s approved programs are all meeting the employment rate as referenced in §807.131(b), at the time of application; and

(2) the school submits a reimplementation plan to the Agency.

(b) A school is not required to submit applications for additional courses of instruction or for course revisions to the Commission for approval, if the school:

(1) has been licensed for at least one year under the current ownership;

(2) is accredited by an agency recognized by the U.S. Secretary of Education; and

(3) is in good standing with its designated accrediting agency and not subject to:

   (A) probation;

   (B) a directive to show cause as to why accreditation should not be revoked; or

   (C) any other action, as defined by the accrediting agency, that would otherwise prevent the school from seeking approval to add or revise a course of instruction.

(c) Upon receipt of the approval of the course of instruction from the accrediting agency, the school shall provide a copy to the Commission.

(d) The Commission may require the school director of an accredited school to file applications for nondegree programs if there have been two substantiated complaints regarding programs in the previous year.

(e) A school submitting applications for approval of seminars shall use abbreviated forms provided by the Commission.

(f) No class or program shall be approved by the Commission unless the school demonstrates that the program's quality, content, and length reasonably and adequately imparts the job skills and knowledge necessary for the student to obtain employment in the stated occupation.
(g) A school may not solicit students, otherwise advertise, or conduct classes for a course of instruction prior to the Commission's approval of the course of instruction. Any such activity by the school, prior to the Commission's approval of the course of instruction, shall constitute a misrepresentation by the school and shall entitle each student in the course of instruction to a full refund of all tuition and fees paid by the student and release from all obligations.

(h) The school shall establish and maintain a formal advisory committee of at least five members, unless the Commission approves a lesser number of persons in advance, for each type of program with course time in excess of 200 hours in length. At least annually, the committee shall evaluate the curriculum, instructional materials and media, equipment, and facilities to ensure they meet the needs of the job market. The school shall have written documentation of the evaluation available for review by the Commission. If the school does not follow an advisory committee recommendation, the school shall maintain written documentation of the justification for not following the recommendation.

(i) If the applicant requests approval to measure courses of instruction in credit hours, the following conversion table shall be used.

(1) One academic quarter credit hour equals a minimum course time of:

   (A) 10 hours of classroom lecture;

   (B) 20 hours of laboratory experience; or

   (C) 30 hours of externship.

(2) One academic semester credit hour is equal to a minimum course time of:

   (A) 15 hours of classroom lecture;

   (B) 30 hours of laboratory experience; or

   (C) 45 hours of externship.

(3) The school shall calculate lecture, laboratory, and externship credit hour conversions individually for each class, rounding down to the nearest half credit hour. The school shall add the total for the credit hours for lecture, laboratory, and externship to determine the total credit hours for a class.
SUBCHAPTER J. ADVERTISING

§807.175. Catalog.

(a) The catalog shall include the following:

(1) table of contents or index;

(2) name and complete street address of the school;

(3) volume number, date of publication, and effective dates;

(4) history of any accreditations or approvals, including statement of approval and regulation by the Commission;

(5) description of space, facilities, and equipment;

(6) list of all trustees, directors, officers of the corporation, and owners;

(7) list of management staff and faculty, including education relating to the areas of instruction;

(8) tuition, fees, other charges, and applicable scholarship terms;

(9) school calendar;

(10) school hours of operation and class schedule, including the amount of time allocated for breaks and mealtimes;

(11) policies regarding enrollment, including entrance requirements, previous education credit, cancellation and refund, progress, attendance, leave of absence, and conduct;

(12) veterans administration refund policy, if applicable;

(13) description of courses of instruction, including the number of hours of course time of a seminar, seminar topic, lecture, lab, and externship, as well as credit hours in each class, if applicable;

(14) description of each class;

(15) description of the grading policy, including requirements for graduation;

(16) description of placement assistance, if available;

(17) statement of polices regarding grievances; and
(18) a statement signed by the owner or director indicating that all of the
information contained in the catalog is true and correct.

(b) Any classes defined as self-paced shall be noted as such in the catalog.

(c) In addition to the information contained in subsections (a) and (b) above, the catalog
for a school that charges tuition and fees for a residence program or a synchronous
distance education course based on more than one period shall also include a
complete description of the following:

(1) the number of periods of time and the course time scheduled in each period;

(2) the amount of tuition charged for each period;

(3) the type and amount of fees charged for each period; and

(4) any other charges for each period.

(d) All changes to the catalog shall be disclosed to the Agency, using forms provided by
the Agency. Failure to disclose changes may result in penalties and sanctions,
including refunds.

SUBCHAPTER N. CANCELLATION AND REFUND POLICY

§807.262. Completion of Refund.

(a) A school shall document refunds by written record indicating the date of the refund
transaction, the name of the student receiving the refund, the total amount refunded,
and the specific reason for the refund. Proof of completion shall be on file within
120 days of the effective date of termination and shall include:

(1) copies of both sides of the cancelled check;

(2) printed proof of completed transaction of electronic funds transfer or other
similar electronic means; or

(3) documentation of an awarded credit to a credit card or other similar account.

(b) To ensure a school's good faith effort to timely complete a refund owed directly to a
student, the student's file shall contain evidence of the following proof of a certified
mailing of the refund to the:

(1) student's last known address;
(2) student's permanent address, if different from the student's last known address; or

(3) address of the student's parent or legal guardian, if different from the student's last known and permanent addresses.

(c) If after making a good faith effort to timely complete a refund, the school is unable to complete the refund, the school shall forward to the Agency the appropriate refund amount and any pertinent student information to assist the Agency in locating the student.

(d) Unless otherwise required by another law, refunds will be made in the following order:

(1) on behalf of the student to federal loans used to pay tuition and fees;

(2) on behalf of the student to private loans used to pay tuition and fees;

(3) to the student for personal loans, including credit card debt, and cash used to pay tuition and fees; and

(4) to other funding sources, including Boards, to reimburse payments for tuition and fees.

§807.264. Penalties Relating to Refunds.

(a) A penalty shall be paid on any refund not completed in a timely manner as required by the Act. The penalty assessment shall begin on the first day following the expiration of the statutorily defined refund period and end on the day preceding the date the refund is completed.

(b) Any penalty assessed on a school's late payment of student refunds shall be disbursed in the following order of priority:

(1) to the student's account at a lending institution for the balance of principal and interest on the student loan;

(2) to the student for tuition and fees paid directly by the student;

(3) to a Board for tuition and fees paid by the Board; and

(4) to the tuition trust account for any remaining balance of assessed penalty.

(c) If the Agency determines that the method used by the school to calculate refunds is in error or the school does not routinely pay refunds within the time required by the
Act, the school shall submit an agreed-upon procedures engagement conducted by an
independent CPA. The CPA shall examine all files for students who did not
complete a course of study, to determine compliance with the most restrictive of:

(1) the Act;

(2) this chapter; or

(3) the school catalog current on the date of the student's enrollment.

(d) An opinion letter shall accompany a schedule of student refunds due, disclosing the
following information for the four years prior to the date of the Agency's request:

(1) student information, including name, address, and Social Security number;

(2) pertinent dates, including recorded last date of attendance, date of termination,
and, if necessary, recalculated last date of attendance;

(3) recorded refund information, including amount of refund with principal,
penalty, and any balance due stated separately; payee; date and check number
of payment if payment has been made; any of the same categories of
information resulting from recalculation; and

(4) other information requested by the Agency to demonstrate compliance.

SUBCHAPTER O. RECORDS.


(a) A school shall permanently maintain a master student registration list (MSRL). If
the school maintains the MSRL in electronic form, the school must be able to
produce a printed copy immediately upon request. The MSRL must contain at least
the following information:

(1) date of applicable entry;

(2) name of student;

(3) address of student including city, state, and zip code;

(4) telephone number;

(5) social security number;

(6) date of birth; and
(7) name of program.

(b) A school shall maintain current records and necessary data (physical or electronic) for each student required to be on the master student registration list to show compliance with the Act and this chapter. These records shall be:

(1) maintained on-site;

(2) protected against damage, loss (e.g., fire, water, theft, tampering), or misuse; and

(3) made available to the Commission for inspection upon request.

(c) If applicable, the school shall maintain and ensure that copies of the accreditation authorization and letter of eligibility from the United States Department of Education are available for Commission review.

(d) Degree granting schools shall maintain a copy of the certificate of authorization from the Coordinating Board for each authorized degree program.

(e) The Commission may conduct unannounced compliance inspections.

(f) A school shall maintain complete records of all advertising, sales, and enrollment materials used by or on behalf of the school for a five-year period. Materials maintained shall include, but not be limited to, direct mail pieces, brochures, printed literature, films, leaflets, handbills, fliers, video and audiotapes disseminated through the broadcast media, materials disseminated through the print media or Internet, and sales and recruitment manuals used to instruct sales personnel.

§807.282. Student Information and Records.

(a) A school shall permanently maintain student transcripts of academic records. A school shall provide such transcripts to students and prospective employers at a reasonable charge if the student has fulfilled the financial obligation to the school and is neither in default nor owes a refund to any federal or state student financial aid program.

(b) A school shall retain financial records in accordance with federal retention requirements.

(c) A school shall retain all student records for at least a five-year period and these records shall include:
(1) a written record of previous education and training on a form provided by the Commission; and

(2) official transcripts from all previous postsecondary schools attended by the student.

(d) The school director shall implement and maintain reasonable procedures, including taking any appropriate corrective action, to protect from improper use or disclosure of any sensitive personal information collected or maintained by the school.

(e) A school shall destroy or arrange for the destruction of sensitive personal information within the school’s custody or control, after any required retention periods, by:

(1) shredding;

(2) permanently removing or deleting electronic records; or

(3) otherwise modifying the sensitive personal information in the records to make the information unreadable or indecipherable through any means; or

(4) destroying the information in accordance with any other more restrictive law or regulation the school is required to follow.

SUBCHAPTER R. CLOSED SCHOOLS

§807.342. Tuition Trust Account.

(a) In a year in which the Commission determines it is necessary to charge a fee under §132.2415(b) of the Act, each school shall make a payment to the tuition trust account at the time the school renewal fee is paid.

(b) The amount in the tuition trust account, as provided in the Act, is an accrued balance. The accrued balance is the cash balance of the tuition trust account less the sum of the accrued liabilities from unpaid student refunds and teach-out claims.

(c) Disbursements shall be made from the tuition trust account for student refunds and reimbursable teach-out expenses incurred during each 12-month period ending August 31, and shall be:

(1) made first for student refunds in accordance with §132.2415(d) of the Act and §807.262 of this chapter;
(2) calculated after refunds or discharges from other funding sources have been
determined;

(3) disbursed to other funding sources from any amount remaining under the
limitation of §132.242(e) of the Act; and

(4) disbursed for reimbursable teach-out expenses based upon remaining funds in
the account.

(d) Following the graduation or termination of the students from the teach-out school,
the teach-out school shall determine actual expenses and submit a claim for
reimbursement to the Commission on or before the date provided in the application
packet. The teach-out school shall:

(1) not claim expenses for facilities, equipment, utilities, or other items which
were owned, rented, used, or otherwise obligated by the school prior to the
Commission's approval of the teach-out program, even though such items may
be used for the teach-out program;

(2) be limited to expenses for tuition and fees that are non-recoverable from all
financial resources, including grants and loans; and

(3) ensure that the sum of the tuition and fees paid to the student's account at the
closed school and the teach-out school is the lesser amount the student would
have been charged for the complete program at the closed school or the teach-
out school.

(e) For schools in their first two years of operation that have not been required to furnish
financial statements to comply with §807.35(b), the payment to the tuition trust
account shall be calculated at the rate determined by the Commission using the
projected gross amount of tuition and fees, as required in §807.33(c), to be charged
by the school for the year in which the payment is collected. Once the school has
submitted the actual amount of tuition and fees collected by the school in compliance
with §807.35(b), the Commission shall reconcile the projected and actual amounts of
tuition and fees collected. Upon reconciliation, the Commission shall determine if
the school is entitled to a refund or must pay an additional amount to the tuition trust
account.

SUBCHAPTER S. SANCTIONS

§807.353. Administrative Penalties.

(a) An administrative penalty shall not exceed the amount specified in Texas Education
Code §132.152 for each instance of a violation and shall be assessed in accordance
with that section.
(b) The administrative penalty is calculated based on a penalty dollar amount and the
number of instances of violation.

(c) A violation is considered a repeat violation only where notice of a violation or an
administrative penalty has been issued previously for that same violation.

(d) The assessment of an administrative penalty shall not preclude the Agency from
administering other sanctions, up to and including revocation of a school's certificate
of approval.

(e) The following penalty matrix is for determining and assessing an administrative penalty.
The absence of a particular violation from the matrix shall not preclude the Agency from
assessing an administrative penalty.
<table>
<thead>
<tr>
<th>Violation</th>
<th>First Offense: Penalty</th>
<th>Repeat Offenses: Penalty</th>
<th>Definition of Instance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Failure of a small school transitioning to a large school to notify the Agency of status change, timely apply, or remit increased fees</td>
<td>$250</td>
<td>NA</td>
<td>Per violation</td>
</tr>
<tr>
<td>Failure to disclose to the Agency changes in tuition, fees, or other charges</td>
<td>$250</td>
<td>Second Offense: $500</td>
<td>Per violation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Subsequent Offenses: $1,000</td>
<td></td>
</tr>
<tr>
<td>Failure to provide the Agency notice of a change of address prior to permanently vacating the school facility</td>
<td>$250</td>
<td>Second Offense: $500</td>
<td>Per violation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Subsequent Offenses: $1,000</td>
<td></td>
</tr>
<tr>
<td>Failure to maintain records demonstrating compliance with requirements of statute or rule</td>
<td>$250</td>
<td>Second Offense: $500</td>
<td>Per record or student record</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Subsequent Offenses: $1,000</td>
<td></td>
</tr>
<tr>
<td>Failure to properly destroy or arrange for the destruction of sensitive personal information in the school’s custody or control</td>
<td>$250</td>
<td>Second Offense: $500</td>
<td>Per student affected</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Subsequent Offenses: $1,000</td>
<td></td>
</tr>
<tr>
<td>Failure to protect student records against damage, loss, or misuse</td>
<td>$250</td>
<td>Second Offense: $500</td>
<td>Per record or student record</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Subsequent Offenses: $1,000</td>
<td></td>
</tr>
<tr>
<td>Failure to provide complete and accurate information as required by the Agency</td>
<td>$250</td>
<td>Second Offense: $500</td>
<td>Per violation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Subsequent Offenses: $1,000</td>
<td></td>
</tr>
<tr>
<td>Failure to ensure a staff member has taken required training and been approved by the Agency</td>
<td>$500</td>
<td>Subsequent Offenses: $1,000</td>
<td>Per staff member</td>
</tr>
<tr>
<td>Failure to provide an instructor who meets necessary qualifications and whose application was submitted within required time frames</td>
<td>$500</td>
<td>Subsequent Offenses: $1,000</td>
<td>Per instructor</td>
</tr>
<tr>
<td>Failure to make arrangements satisfactory to the Agency for the completion of a discontinued course of instruction</td>
<td>$500</td>
<td>Subsequent Offenses: $1,000</td>
<td>Per course of instruction</td>
</tr>
<tr>
<td>Making a false statement in an application to the Agency</td>
<td>$500</td>
<td>Subsequent Offenses: $1,000</td>
<td>Per violation</td>
</tr>
<tr>
<td>Failure to maintain the instructors, facilities, equipment, or courses of instruction and outcomes on the basis of which approval was issued</td>
<td>$500</td>
<td>Subsequent Offenses: $1,000</td>
<td>Per course of instruction</td>
</tr>
<tr>
<td>Failure to disclose limitations on transferability of courses of instruction to a prospective student</td>
<td>$500</td>
<td>Subsequent Offenses: $1,000</td>
<td>Per student affected</td>
</tr>
<tr>
<td>Advertising that financial aid is available or advertising that financial aid may be available for a program for which it is not available</td>
<td>$500</td>
<td>Subsequent Offenses: $1,000</td>
<td>Per student affected</td>
</tr>
<tr>
<td>Failure to establish that a student met the approved admission requirements when the student was enrolled</td>
<td>$750</td>
<td>Subsequent Offenses: $1,000</td>
<td>Per student affected</td>
</tr>
<tr>
<td>Failure to submit the annual program completion, job placement, and employment data required by the Agency by the required due date</td>
<td>$750</td>
<td>Subsequent Offenses: $1,000</td>
<td>Per school</td>
</tr>
<tr>
<td>Failure to submit annual financial statements no later than 180 days from the close of the school's or college's fiscal year</td>
<td>$750</td>
<td>Subsequent Offenses: $1,000</td>
<td>Per school</td>
</tr>
<tr>
<td>Transfer of all students from one school location to another school location, by an owner with multiple school locations, without Agency approval</td>
<td>$750</td>
<td>Subsequent Offenses: $1,000</td>
<td>Per violation</td>
</tr>
<tr>
<td>Dismissal of all students contrary to the school's class schedule as printed in the school catalog for reasons not approved by the Agency</td>
<td>$750</td>
<td>Subsequent Offenses: $1,000</td>
<td>Per dismissal event</td>
</tr>
<tr>
<td>Operating a school without a certificate of approval</td>
<td>$1,000</td>
<td>Subsequent Offenses: $1,000</td>
<td>Per school</td>
</tr>
<tr>
<td>Teaching a course of instruction or revised course of instruction that has not been approved by the Agency</td>
<td>$1,000</td>
<td>Subsequent Offenses: $1,000</td>
<td>Per course of instruction</td>
</tr>
<tr>
<td>Violation</td>
<td>Fine</td>
<td>Subsequent Offenses:</td>
<td>Penalty</td>
</tr>
<tr>
<td>--------------------------------------------------------------------------</td>
<td>----------------</td>
<td>----------------------</td>
<td>-------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Using advertising that is false, misleading, or deceptive, including the misrepresentation of degrees other than those approved by the Coordinating Board</td>
<td>$1,000</td>
<td>$1,000</td>
<td>Per student affected</td>
</tr>
<tr>
<td>Failure to notify the Agency of the discontinuance of the course of instruction or the operation of a school or college within 72 hours of cessation of classes, and to make available accurate records as required</td>
<td>$1,000</td>
<td>$1,000</td>
<td>Per course of instruction</td>
</tr>
<tr>
<td>Solicitation of a prospective student in violation of statutory and rule requirements</td>
<td>$1,000</td>
<td>$1,000</td>
<td>Per student affected</td>
</tr>
<tr>
<td>Any misrepresentation</td>
<td>$1,000</td>
<td>$1,000</td>
<td>Per misrepresentation</td>
</tr>
<tr>
<td>Failure to file a complete application for renewal at least 30 days before the expiration date of the certificate of approval</td>
<td>10% of renewal fee not less than $200 and not more than $1,000</td>
<td>10% of renewal fee, not less than $200 and not more than $1,000</td>
<td>Per application</td>
</tr>
<tr>
<td>Failure to pay any fee or penalty installment by the required due date</td>
<td>50% of the total amount of the fee</td>
<td>50% of the total amount of the fee</td>
<td>Per failure</td>
</tr>
<tr>
<td>Paying a refund late</td>
<td>A rate established annually by the Commission</td>
<td>A rate established annually by the Commission</td>
<td>Per refund</td>
</tr>
</tbody>
</table>
SUBCHAPTER T.  CEASE AND DESIST ORDERS


The statement of charges and notice of hearing issued by the Agency shall contain the following information:

1. The name and last known address of the person against whom the order may be entered;
2. A short and plain statement of the reasons the Agency believes the person is operating a career school or college without a certificate of approval; and
3. The date, time, and location of the hearing.

§807.365. Hearing Decision and Final Review by the Commission.

(a) Within 10 days after the hearing is held, the hearing officer shall issue a written decision granting or denying the request for the issuance of a cease and desist order that includes findings of fact and conclusions of law. The hearing decision shall be mailed by certified mail, return receipt requested, and is presumed received five days from the date it is mailed. The hearing officer's decision becomes final the 15th day after receipt of the hearing decision unless an appeal is filed under subsection (b) of this section.

(b) A party that is not satisfied with the decision of the hearing officer may file a written appeal of the decision to the Commission for a final review no later than the 15th day after receipt of the hearing decision. The written appeal shall contain the party's arguments as to why the decision of the hearing officer should be reversed.

(c) Upon receipt of the written appeal of the hearing officer's decision, the Commission shall consider the appeal and issue a decision promptly. The Commission shall consider the appeal on the basis of the record made before the hearing officer. The decision of the Commission shall be mailed by certified mail, return receipt requested, and is presumed received five days from the date it is mailed.