

1 **CHAPTER 807. CAREER SCHOOLS AND COLLEGES**

2
3 **ADOPTED RULES TO BE PUBLISHED IN THE *TEXAS REGISTER*. THIS**
4 **DOCUMENT WILL HAVE NO SUBSTANTIVE CHANGES BUT IS SUBJECT TO**
5 **FORMATTING CHANGES AS REQUIRED BY THE OFFICE OF THE SECRETARY**
6 **OF STATE.**

7
8 **ON NOVEMBER 7, 2022, THE TEXAS WORKFORCE COMMISSION ADOPTED THE**
9 **RULES BELOW WITH PREAMBLE TO BE SUBMITTED TO THE *TEXAS REGISTER*.**

10
11 Publication Date of the Adoption in the *Texas Register*: **November 25, 2022**

12 The Rules are Effective: **November 28, 2022**

13
14 The Texas Workforce Commission (TWC) adopts amendments to the following sections of
15 Chapter 807, relating to Career Schools and Colleges:

16
17 Subchapter A. General Provisions, §§807.1 - 807.3 and §§807.6 - 807.8

18 Subchapter B. Certificates of Approval, §§807.11 - 807.17

19 Subchapter C. Financial Requirements, §§807.31 - 807.35 and §807.37

20 Subchapter D. Representatives, §§807.51, 807.53, and 807.54

21 Subchapter E. School Director and Administrative Staff, §§807.62 - 807.64 and §807.66

22 Subchapter F. Instructors, §§807.81 - 807.84

23 Subchapter G. Staff Education Requirements, §807.101 and §807.102

24 Subchapter H. Courses of Instruction, §§807.121 - 807.123 and §§807.129 - 807.134

25 Subchapter I. Application Fees and Other Charges, §§807.151 - 807.153

26 Subchapter J. Advertising, §§807.171 - 807.173 and §807.175

27 Subchapter K. Admission, §§807.191 - 807.194, 806.196, and 807.197

28 Subchapter L. Progress Standards, §§807.221, 807.223, and 807.224

29 Subchapter M. Attendance Standards, §§807.241 - 807.245

30 Subchapter N. Cancellation and Refund Policy, §807.261 and §807.263

31 Subchapter O. Records, §§807.281 - 807.284

32 Subchapter P. Complaints, §807.301 and §807.302

33 Subchapter Q. Truck Driver Training Programs, §§807.321, 807.322, 807.324, and
34 807.325

35 Subchapter R. Closed Schools, §807.341 and §807.342

36 Subchapter S. Sanctions, §§807.351 - 807.353

37 Subchapter T. Cease and Desist Orders, §§807.362, 807.365, and 807.366

38 Subchapter U. Career Schools Hearings, §§807.385 - 807.387 and §807.395

39
40 TWC adopts the following new section to Chapter 807, relating to Career Schools and Colleges:

41
42 Subchapter A. General Provisions, §807.5

43
44 TWC adopts the repeal of the following sections of Chapter 807, relating to Career Schools and
45 Colleges:

1 Subchapter H. Courses of Instruction, §§807.124 - 807.127
2 Subchapter J. Advertising, §807.176
3

4 The amendments, new sections, and repeal are adopted *without changes* to the proposed text as
5 published in the July 29, 2022, issue of the *Texas Register* (47 TexReg 4455), and, therefore, the
6 adopted rule text will not be published.
7

8 **PART I. PURPOSE, BACKGROUND, AND AUTHORITY**

9 Texas Education Code, Chapter 132, Career Schools and Colleges (the Act) charges TWC with
10 oversight of career schools and colleges operating in Texas. By TWC's authority under the Act
11 and TWC's Chapter 807 Career School and Colleges rules, the Career Schools and Colleges
12 (CSC) Program licenses and regulates private postsecondary schools that offer vocational
13 training to Texas residents. In this capacity, TWC currently regulates more than 600 schools,
14 consisting of approximately 4,000 courses of instruction that provide vocational training to more
15 than 146,000 students annually.
16

17 The amendments to Chapter 807 are based on a thorough review of the existing rules, the Act,
18 policy implementation, and application processing. The amendments provide clarity and remove
19 unnecessary regulation for CSC; ensure that students seeking to further their education are
20 provided clear information, receive timely refunds, as appropriate, and have timely access to
21 school outcome data; and streamline CSC Program processes.
22

23 The amendments also implement House Bill (HB) 33, passed by the 87th Texas Legislature,
24 Regular Session (2021). HB 33 amended Texas Education Code, Chapter 132, relating to
25 measures facilitating the award of postsecondary course credit leading to workforce credentialing
26 based on military experience, education, and training.
27

28 Throughout Chapter 807, where appropriate, the term "Commission" is replaced with "Agency."
29 The Commission is the body of governance of the three Commissioners appointed by the
30 governor. The Agency is the unit of state government presided over by the Commission and
31 administered by the executive director.
32

33 The definitions for class, course, course of instruction, program, and program of instruction,
34 were amended, and, therefore, where appropriate, the terms were changed to ensure consistency
35 of usage throughout Chapter 807.
36

37 **PART II. EXPLANATION OF INDIVIDUAL PROVISIONS**

38 (Note: Minor editorial changes are made that do not change the meaning of the rules and,
39 therefore, are not discussed in the Explanation of Individual Provisions.)
40

41 **SUBCHAPTER A. GENERAL PROVISIONS**

42 TWC adopts the following amendments to Subchapter A:
43

44 **§807.2. Definitions**

1 Section 807.2(12) is amended to include "course of instruction" and modify the definition to
2 include an identifiable unit of organized instruction to avoid confusion with a subject, which is
3 an element of a program or seminar.
4

5 Current §807.2(15) is removed because "course of instruction" is defined in amended
6 §807.2(12). The subsequent paragraphs are renumbered accordingly.
7

8 Renumbered §807.2(15) is amended to revise the definition term of "course time" to include
9 "course time hour." Also, "externship" is utilized in all CSC materials and replaces "internship"
10 in the definition to avoid confusion.
11

12 Renumbered §807.2(18) is amended to revise the definition of "distance education course" to
13 align with the definition of "distance education" in the statute. Additionally, the current
14 definition relates specifically to asynchronous education and is amended to include synchronous
15 education.
16

17 Renumbered §807.2(21) is amended to revise the definition of "good reputation" to restate with
18 potential disqualifiers instead of inversely worded with qualifiers.
19

20 Section 807.2(26) is added to define "hybrid program or blended program."
21

22 Section 807.2(27) is amended to revise the definition of "job placement" to provide clarity of
23 what constitutes placement.
24

25 Section 807.2(29) is added to define "military service."
26

27 Section 807.2(30) and (31) are added to define "owner" and "owner designee." The subsequent
28 paragraphs are renumbered accordingly.
29

30 Renumbered §807.2(33) is amended to remove the word "program" from the definition.
31

32 Section 807.2(39) is added to define "school authorized official" to reduce confusion of who is
33 authorized to sign official documents.
34

35 Renumbered §807.2(40) is amended to clarify the definition of "school." The addition of
36 "educational institution" and "training program" as synonyms for school is necessary to provide
37 definition to these terms used in statute without definition or clarification provided.
38

39 Renumbered §807.2(41) is amended to revise the definition of "secondary education" to further
40 define what constitutes that level of education.
41

42 Renumbered §807.2(42) is amended to clarify that "workshop" is a synonymous term for
43 "seminar."
44

45 Section 807.2(47) is added to define a "subject" to delineate its use from "class" for clarification.
46

1 **§807.3. Memorandum of Understanding for Regulation of Schools**

2 Section 807.3 is amended to revise the current name of "Texas Guaranteed Student Loan
3 Corporation" to "Trellis Company."
4

5 **§807.5. Suspensions**

6 New §807.5 is added to state the executive director's authority to suspend the operation of
7 provisions within Chapter 807 under certain circumstances.
8

9 **§807.6. Processing Periods**

10 Section 807.6 is amended to include "Application" in the section title and allow the program the
11 ability to modify processing times that are not required to be publicly identified by Texas
12 Government Code, §2005.003.
13

14 **§807.7. Exemptions**

15 Section 807.7(a) is amended to include program authority to approve, deny, or revoke
16 exemptions.
17

18 Section 807.7 is amended to remove subsections (b) and (c) as the language is redundant.
19

20 Relettered §807.7(b) is amended to reference the Act, as opposed to the vague reference to the
21 Texas Education Code.
22

23 New §807.7(c) is amended to remove extraneous language. Exemption criteria is addressed in
24 the Act.
25

26 **SUBCHAPTER B. CERTIFICATES OF APPROVAL**

27 TWC adopts the following amendments to Subchapter B:
28

29 **§807.11. Original Approvals**

30 Section 807.11(d)(1) is amended to revise the conditions of reapplication. To reapply, the
31 applicant must currently submit fees again and the section is amended to clarify that all fees are
32 due again.
33

34 **§807.12. Renewal**

35 Section 807.12(a)(2) and (b)(3) are amended to remove the reference to the fee for the tuition
36 trust account. The renewal fee paid by career schools and colleges is seamless in its application.
37

38 **§807.14. Locations**

39 Section 807.14(b)(2) is removed, because the itinerate program typically meet the criteria
40 outlined for seminars or short-term programs. The subsequent paragraphs are renumbered
41 accordingly.
42

43 **§807.15. Notification of Actions**

44 Section 807.15(c) is added to include the requirement for schools to notify TWC of mortgage
45 and/or lease lateness or defaults. This can be used by TWC as an indicator of possible closures.
46 The subsequent subsections are relettered accordingly.

1
2 Relettered §807.15(d) is amended to add the copy of the legal notice to the documents that need
3 to be included by the school with the notice.
4

5 **§807.16. Degrees**

6 Section 807.16(b) is amended to remove the reference that approval from the accreditor may be
7 required. Accreditor approval is a necessary element for review.
8

9 **§807.17. Unlicensed Schools**

10 Section 807.17 is amended to revise verbiage to clarify that TWC may take one or more of the
11 listed actions against schools that operate without a certificate of approval from TWC.
12

13 **SUBCHAPTER C. FINANCIAL REQUIREMENTS**

14 TWC adopts the following amendments to Subchapter C:
15

16 **§807.31. Definitions Relating to Financial Requirements**

17 Section 807.31(1) is added to define attest services. Attest services require specific licensure per
18 the Texas Public Accountancy Act. The subsequent paragraphs are renumbered accordingly.
19

20 Renumbered §807.31(5) is amended to remove the unnecessary element of the projection of
21 tuition and fees for the upcoming fiscal year from the definition of unearned tuition affidavit.
22

23 **§807.32. Financial Standards**

24 Section 807.32(a)(2) is removed because the requirement for a school to report unearned tuition
25 on its balance sheet is no longer needed. All school financial submissions will require a CSC-
26 048, which identifies unearned tuition. The subsequent paragraphs are renumbered accordingly.
27

28 Section 807.32(b) is amended to require both an unearned tuition affidavit and sworn statement
29 with any submission. Currently these are not required with audited or reviewed financials.
30

31 Section 807.32(c) is amended to modify the statement regarding preparation. The information for
32 the preparer is not needed, only for the certified public accountant (CPA) firm performing the
33 attest engagement.
34

35 Section 807.32(d) is added to include attest services to indicate legal requirements and address
36 the CPA being in jurisdictions other than Texas. The subsequent subsection is relettered
37 accordingly.
38

39 **§807.33. Financial Requirements for Original Approvals**

40 Section 807.33(a)(2) is amended to remove redundant language. Audits must be completed by a
41 CPA and in Texas, a firm license holder. Generally Accepted Accounting Principles or Generally
42 Accepted Auditing Standards require a CPA to complete a financial review.
43

44 Section 807.33(b) is amended to clarify that the intent is three full calendar months, not partial,
45 and to remove references to contract basis, as an evaluation of financial stability is necessary to
46 issue a Certificate of Approval (per §807.4(a)(3) and Texas Education Code, §132.055(b)(9)).

1
2 Section 807.33(b)(1) and (2) are amended to remove unnecessary details associated with
3 projected expenses. Expenses for the categories of salaries and lease payments for equipment are
4 sufficient to perform a review.

5
6 **§807.35. Financial Requirements for Renewal**

7 Section 807.35 is amended to revise the section title from "Financial Requirements for Renewal"
8 to "Financial Requirements for Annual Reporting" to clarify the requirement and to allow the
9 addition of language specific to revocations.

10
11 Section 807.35(a) and (b) are amended to clarify that the financial statements submitted must be
12 true and correct and to remove extraneous language as the standards have been identified in
13 §807.32.

14
15 Section 807.35(c) is amended to add language to clarify the requirement of federal tax return
16 documents to avoid confusion of schools submitting their Texas Franchise Tax reports.

17
18 Section 807.35(e) is added to clarify the outcome of not providing compliant financial statements
19 within 60 days of notice of deficiency. This will allow TWC to take administrative action
20 without delay.

21
22 **§807.37. Commission Ordered Audits**

23 Section 807.37(a)(1) and (2) is amended to clarify audit standards and language is added to
24 §807.37 regarding failure to provide TWC with Commission-ordered item(s).

25
26 **SUBCHAPTER D. REPRESENTATIVES**

27 TWC adopts the following amendments to Subchapter D:

28
29 **§807.51. Representative Requirements**

30 New §807.51(a) is added to include clarifications regarding individuals not required to register as
31 representatives given the nature of their ownership structure. The subsequent subsections are
32 relettered accordingly.

33
34 **§807.53. Representative Limitations**

35 Section 807.53(c)(1) is deleted to reduce the restriction on locations a representative is
36 authorized to solicit students. The subsequent paragraphs are renumbered accordingly.

37
38 Section 807.53(c) is amended to include courses in addition to programs.

39
40 Section 807.53(c)(11) is added to require students be advised of the policies and procedures
41 related to granting credit.

42
43 **§807.54. Representative Compliance**

44 Section 807.54 is amended to modify the matrix to align with the changes in §807.53.

45
46 **SUBCHAPTER E. SCHOOL DIRECTOR AND ADMINISTRATIVE STAFF**

1 TWC adopts the following amendments to Subchapter E:

2
3 **§807.62. School Director Qualifications and Duties**

4 Section 807.62 is amended to add new subsection (a) to consolidate and clarify requirements for
5 small, and other than small, schools.

6
7 Current §807.62(a) and (b) are deleted based on consolidation under §807.62(a). The subsequent
8 subsections are relettered accordingly.

9
10 **§807.64. Director of Education Requirements**

11 Section 807.64(b)(2) is amended to modify "employment as a supervisor" to "supervisory
12 employment experience," which aligns with the expectations of an individual who is appointed
13 to a director position.

14
15 **§807.66. Director of Admissions Requirements**

16 Section 807.66(a) is amended to remove obsolete references. This provision was adopted in
17 2006, so any individual in this position in 2006 would have the necessary qualifications in 2020.

18
19 Section 807.66(b)(1) is amended to change "administrative experience" to "administration
20 experience" to align with intent.

21
22 **SUBCHAPTER F. INSTRUCTORS**

23 TWC adopts the following amendments to Subchapter F:

24
25 **§807.81. Instructor Qualifications**

26 Section 807.81(b) is amended to modify the requirement to indicate three full calendar months as
27 opposed to allowing partial months.

28
29 Section 807.81(b)(1)(A) - (D) and (2)(B) - (C), (d), and (e) are amended to indicate "subject"
30 instead of "class," and "subjects" instead of classes," to reflect the correct element of a program.

31
32 Additional amendments are adopted throughout to clarify subject, in lieu of course.

33
34 **§807.82. Temporary Instructors**

35 Section 807.82(a) is amended to indicate the maximum term of a temporary instructor is 90 days,
36 to match current practice.

37
38 Section 807.82(b)(1) is amended to change "class" to "subject(s)."

39
40 Section 807.82(b)(2) is deleted, removing the requirement to list the instructor. This information
41 is redundant. The subsequent paragraphs are renumbered accordingly.

42
43 Section 807.82(b)(4) is added to include any other information required by TWC.
44

1 Section 807.82(c) is deleted to remove notice of possible sanctions for using an unapproved
2 instructor since this is stated as part of the instructor application process. The subsequent
3 subsections are relettered.

4
5 Relettered §807.82(c) is amended to clarify subject, in lieu of course.

6
7 Relettered §807.82(d) is amended to clarify the period as an "academic term" and "subject" as
8 the appropriate element.

9
10 **§807.84. School Responsibilities Regarding Instructors**

11 Section 807.84(e) is added to stress refunds and administrative actions to be taken against a
12 school for utilizing an unapproved instructor.

13
14 **SUBCHAPTER G. STAFF EDUCATION REQUIREMENTS**

15 TWC adopts the following amendments to Subchapter G:

16
17 **§807.101. Initial Training**

18 Section 807.101(a) is amended to remove references to the Director's Resource Guide, as it is
19 obsolete.

20
21 Section 807.101(b) is amended to use three full calendar months instead of three months for
22 practicality.

23
24 **§807.102. Continuing Education**

25 Section 807.102(a) is amended to remove language relating to TWC approving the continuing
26 education providers, as this is not the practice. TWC's Career Schools and Colleges program will
27 continue to vet training (as per Texas Education Code, §132.0551(e)) and ensure that it is
28 relevant to the practice of higher education instruction and administration or the subject(s) being
29 taught, but TWC does not maintain a published list.

30
31 Section 807.102(b) is deleted since the language is redundant to what is stated in §807.102(a).
32 The subsequent subsections are relettered accordingly.

33
34 Section 807.102(c) is amended to remove "full-time instructor" because the continuing education
35 requirement for full-time instructors is different from the requirement for school directors and
36 directors of admission

37
38 **SUBCHAPTER H. COURSES OF INSTRUCTION**

39 TWC adopts the following amendments to Subchapter H:

40
41 **§807.121. Definitions Relating to Courses of Instruction**

42 Section 807.121(1) is amended to add language to clarify the role that externship plays in
43 classifying a program type.

44
45 Section 807.121(2) is amended to clarify that "lab" is a synonym for "laboratory experience."
46

1 Section 807.121(6) is amended to clarify terminology.

2
3 Section 807.121(7) is added to define "military service course credit directory."

4
5 **§807.122. General Information for Courses of Instruction**

6 Section 807.122(a) and (b) are amended to move language from §807.127(a) and (c) for better
7 alignment.

8
9 Section 807.122(c) is amended to move language from §807.124(a) for better alignment.

10
11 Section 807.122(d) is amended to move language from §807.125(a) for better alignment and
12 provide requirement to conform to legal standard.

13
14 Section 807.122(e) is amended to move language from §807.126(a) for better alignment.

15
16 Section 807.122(e)(7) is added to require the addition of criteria evaluating military service
17 experience, education, or training, for any course listed in the military service course credit
18 directory.

19
20 Section 807.122(f) is added to ensure TWC reviews course time and balances it against the
21 industry standard for each state occupation. The subsequent subsections are relettered
22 accordingly.

23
24 Relettered §807.122(n) is amended to modify the language to clarify that only a simple majority
25 of members can have no ownership or employment interest regarding the school.

26
27 **§807.123. Applications for Additional Courses of Instruction**

28 Section 807.123(b)(1) and (4) are deleted to remove abbreviated program application
29 requirements for duplicate programs and continuing professional education issues. The
30 subsequent paragraphs are renumbered accordingly.

31
32 **§807.124. Stated Occupation**

33 Section 807.124 is repealed. The requirements in §807.124 are outside the scope of program
34 capability. Elements of §807.124(a) have been moved to §807.122 in an effort to ensure students
35 are trained for a stated occupation.

36
37 **§807.125. Curriculum Content**

38 Section 807.125 is repealed to reduce duplicated language and unnecessary items. The language
39 in §807.125(a) is moved to §807.122 for better alignment.

40
41 **§807.126. Curriculum Length**

42 Section 807.126 is repealed and language in §807.126(a) is moved to §807.122 for better
43 alignment.

44
45 **§807.127. Program Title**

1 Section 807.127 is repealed and language in §807.127(a) and (c) is moved to §807.122 for better
2 alignment.

3
4 **§807.129. Facilities**

5 Section 807.129(b) is amended to clarify that the enrollment capacity is related to seats, as well
6 as workstations, in a lecture capacity.

7
8 **§807.131. School Responsibilities Relating to Courses of Instruction**

9 Section 807.131(b)(1) is amended to establish TWC determines what constitutes "reasonable."

10
11 Section 807.131(i) is amended to reflect basic recommendations and reduce language
12 complexity. There are not statutory guidelines on class size; rule language provides
13 recommendations based on training experiences.

14
15 **§807.132. Course of Instruction Revisions**

16 Section 807.132(c) is deleted. This is not something the program reviews or enforces and is just
17 extraneous language. Ultimately employment will be indicative of the alignment.

18
19 **SUBCHAPTER I. APPLICATION FEES AND OTHER CHARGES**

20 TWC adopts the following amendments to Subchapter I:

21
22 **§807.151. Fee Schedule**

23 Section 807.151(5), (9), (10), (11), and (13) are amended to modify language for clarity.

24
25 Section 807.151(8) is deleted. These changes do not require the reissuance of approval. The
26 subsequent paragraphs are renumbered accordingly.

27
28 Renumbered §807.151(10) is amended to remove the application fee for an administrative staff
29 member.

30
31 **§807.152. Renewal Fees**

32 Section 807.152(c) is amended to correct the terminology of the late renewal fee as identified in
33 statute.

34
35 **§807.153. Installment Payments**

36 Section 807.153(b)(3) is amended to specify that failure to meet an installment agreement may
37 result in revocation of the school's certificate of approval.

38
39 Section 807.153(c) is added to provide rule authority to take administrative action against a
40 school that has received a multi-year certificate for not submitting required renewal payments.

41
42 **SUBCHAPTER J. ADVERTISING**

43 TWC adopts the following amendments to Subchapter J:

44
45 **§807.171. General Information for Advertising**

1 Section 807.171(a) is amended to clarify that the intent is not limited only to deceptive
2 statements, but also misleading statements, concerning enrollment.

3
4 **§807.173. Advertisement Content**

5 Section 807.173 is amended to include "and Monitoring" in the section title to reflect TWC's
6 authority to monitor schools' advertising content.

7
8 Section 807.173(d) is amended to allow the use of the student's abbreviated name in
9 endorsements and to review schools to maintain records of the student endorsement.

10
11 Section 807.173(g) is added to allow TWC to order steps counteracting advertisement violations.

12
13 **§807.175. Catalog**

14 Section 807.175(a)(14), (b), (c), and (d) are amended to adjust language to align with other
15 changes in Chapter 807.

16
17 **§807.176. Advertisement Monitoring**

18 Section 807.176 is repealed to eliminate extraneous language. The language in §807.176(a) and
19 (b) are moved to §807.173 for better alignment.

20
21 **SUBCHAPTER K. ADMISSION**

22 TWC adopts the following amendments to Subchapter K:

23
24 **§807.191. General Information for Admission**

25 Section 807.191(a) and (b) are amended to clarify that specific admission requirements apply to
26 all schools.

27
28 **§807.192. Admission Requirements**

29 Section 807.192(a)(3) is amended to replace "certificate" with "nondegree" to encompass all
30 courses of instruction.

31
32 **§807.193. Receipt of Enrollment Policies**

33 Section 807.193(a) is amended to require all schools meeting criteria to use TWC-approved
34 document.

35
36 Section 807.193(b) is amended to update administrative requirements.

37
38 **§807.194. Enrollment Agreement**

39 Section 807.194(a) is deleted, which excludes seminar schools from being required to complete
40 enrollment agreements. The subsequent subsections are relettered accordingly.

41
42 Section 807.194(h) is deleted because it allows schools to submit abbreviated enrollment
43 agreements. Schools are required to submit all enrollment agreements to TWC for approval prior
44 to use.

45
46 **§807.196. Tuition and Fees**

1 Section 807.196(a) is amended to clarify the element to which the charge is related.

2
3 **§807.197. Admission Requirements for Degree Granting Schools**

4 Section 807.197(a) is amended to clarify that this restriction does not apply to TWC-approved
5 teach-outs.

6
7 **SUBCHAPTER M. ATTENDANCE STANDARDS**

8 TWC adopts the following amendments to Subchapter M:

9
10 **§807.243. Termination of Enrollment**

11 Section 807.243(b) is amended to clarify the amount of time associated with the academic term
12 and §807.243(c) is removed because it is no longer needed. The subsequent subsection is
13 relettered accordingly.

14
15 **§807.244. Make-up Work**

16 Section 807.244(a) is amended to clarify that work may be made up, the appropriate increments,
17 and note that the time itself cannot be made up.

18
19 **§807.245. Leaves of Absence**

20 Section 807.245(a) is amended to clarify that this is specific to the program length and not just
21 applicable to small schools.

22
23 Section 807.245(c) is amended to clarify the time period.

24
25 **SUBCHAPTER N. CANCELLATION AND REFUND POLICY**

26 TWC adopts the following amendments to Subchapter N:

27
28 **§807.261. Requirement for Tour**

29 Section 807.261(b) is amended to remove the exclusion for hybrid or blended programs.

30
31 Section 807.261(c) is amended to add the tour conditions for hybrid or blended programs.

32
33 **§807.263. Refund Requirements**

34 Section 807.263(a) is amended to clarify that refunds to students are contingent upon the
35 outcome of TWC's review of facts associated with the school's conduct and that TWC may order
36 full or partial refunds.

37
38 **SUBCHAPTER O. RECORDS**

39 TWC adopts the following amendments to Subchapter O:

40
41 **§807.282. Student Information and Records**

42 Section 807.282(b) is added to require schools to maintain records electronically. The subsequent
43 subsections are relettered accordingly.

44
45 New §807.282(g) is added to address possible need for translation.

1 **§807.283. Attendance Record Keeping**

2 Current §807.283(a)(1) is deleted so that schools must maintain attendance records for all
3 programs. The subsequent paragraphs are renumbered accordingly.

4
5 Renumbered §807.283(a)(1) is amended to specify what information must be on school master
6 record of attendance.

7
8 Renumbered §807.283(a)(2) requiring attendance records is amended to include instructor name,
9 course name, date, class hours scheduled for each day and absence(s).

10
11 Section 807.283(b) is deleted to remove the attendance record keeping requirements for Title IV
12 schools. Verifiable academically related activity is already addressed in refunds. The subsequent
13 subsection is relettered accordingly.

14
15 **§807.284. Reporting**

16 Section 807.284(d) is amended to remove redundant language.

17
18 **SUBCHAPTER P. COMPLAINTS**

19 TWC adopts the following amendments to Subchapter P:

20
21 **§807.301. School Policy Regarding Complaints**

22 Section 807.301(a)(5)(C) is deleted to remove redundant guidance for addressing complaints.
23 The subsequent subparagraphs are relettered accordingly.

24
25 **§807.302. Complaints and Investigations**

26 Section 807.302(d) is amended to substitute course of instruction for program to clarify that
27 seminars are included and indicate that the investigation for a complaint not filed timely may be
28 declined.

29
30 **SUBCHAPTER Q. TRUCK DRIVER TRAINING PROGRAMS**

31 TWC adopts the following amendments to Subchapter Q:

32
33 **§807.321. General Information Regarding Truck Driver Training**

34 Section 807.321(b) is added to require all truck driver training programs to comply with
35 applicable requirements outlined in 49 Code of Federal Regulations Part 380.

36
37 **SUBCHAPTER R. CLOSED SCHOOLS**

38 TWC adopts the following amendments to Subchapter R:

39
40 **§807.341. School Closures**

41 Section 807.341(a) is added to establish the requirement for owners to notify TWC of pending
42 closure as soon as possible.

43
44 Section 807.341(b) is added to list information that a school must provide TWC upon
45 notification of closure.

1 Section 807.341(c) is added to grant TWC the ability to impose sanctions for schools failing to
2 comply with §807.341. The subsequent subsections are relettered accordingly.

3
4 **§807.342. Tuition Trust Account**

5 Section 807.342(e) is deleted, because it is part of the renewal amounts and not a line itemed fee.

6
7 **SUBCHAPTER S. SANCTIONS**

8 TWC adopts the following amendments to Subchapter S:

9
10 **§807.352. Sanctions**

11 Section 807.352 is amended to change references of program to course, which is inclusive of
12 programs and seminars.

13
14 Section 807.352(a)(2) is deleted because it is not a form of sanction, but a required element of
15 renewal, if applicable, per the Act. The subsequent paragraphs are renumbered accordingly.

16
17 Renumbered §807.352(a)(8) and (9) are amended to align with language from the Act and other
18 sections of Chapter 807.

19
20 **§807.353. Administrative Penalties**

21 The penalty matrix in §807.353 is amended to reflect addition of failure of notice as required per
22 §807.15; reduce the penalty, in conjunction with redefining an instance, for unlicensed
23 instructors as a deterrent; and include a penalty for failure to grant credit, when required.

24
25 **SUBCHAPTER U. CAREER SCHOOLS HEARINGS**

26 TWC adopts the following amendments to Subchapter U:

27
28 **§807.387. Hearing Procedures**

29 Section 807.387(a) is amended to change the default hearing format from in person to telephonically.

30
31 TWC hereby certifies that the adoption has been reviewed by legal counsel and found to be
32 within TWC's legal authority to adopt.

33
34 **PART III. PUBLIC COMMENTS**

35 The public comment period closed on August 29, 2022. TWC received a comment from Biring
36 NDE Center.

37
38 **§807.2. Definitions.**

39
40 **COMMENT:** Biring NDE Center commented that changing the definition of "seminar"
41 from "a course of instruction" to "a type of program" would create an unnecessary burden
42 on schools by requiring the submission of annual student completion and employment
43 information.

44
45 **RESPONSE:** The definition of "seminar" was changed to align with statute. A seminar
46 is a type of program for which a school would only report the number of completers, as is

1 currently required, with no additional reporting requirements. No changes were made to
2 the rules as a result of this comment.

3
4 **PART IV. STATUTORY AUTHORITY**

5 The rules are adopted under Texas Education Code, Chapter 132 which provide TWC with the
6 authority to adopt, amend, or repeal such rules as it deems necessary for the effective
7 administration of TWC services and activities.

8
9 The adopted rules affect Title 3, Texas Education Code, particularly Chapter 132.

10

1 **CHAPTER 807. CAREER SCHOOLS AND COLLEGES**

2
3 **SUBCHAPTER A. GENERAL PROVISIONS**

4
5 **§807.1. Title and Purpose.**

- 6
7 (a) This chapter may be cited as the Career Schools and Colleges rules.
- 8
9 (b) The purpose of this chapter is to implement and interpret the provisions of the Texas
10 Education Code, Chapter 132, Career Schools and Colleges (the Act). The Agency
11 shall evaluate each school according to the standards of practice set forth in the Act
12 and this chapter. The Agency will provide assistance, whenever possible, in
13 complying with this chapter.

14
15 **§807.2. Definitions.**

16
17 In addition to the definitions contained in §800.2 of this title, the following words and
18 terms, when used in this chapter, shall have the following meanings unless the
19 context clearly indicates otherwise.

- 20
21 (1) Academic quarter--A period of instruction that includes at least ten weeks of
22 instruction, unless otherwise approved by the Agency.
- 23
24 (2) Academic semester--A period of instruction that includes at least 15 weeks of
25 instruction, unless otherwise approved by the Agency.
- 26
27 (3) Academic term--An academic quarter, academic semester, or other progress
28 evaluation period.
- 29
30 (4) Academically related activity--An exam, tutorial, computer-assisted
31 instruction, academic counseling, academic advisement, turning in a class
32 assignment, or attending a study group that is assigned by the institution, or
33 other activity as determined by the Agency.
- 34
35 (5) Accountant--An independent certified public accountant properly registered
36 with the appropriate state board of accountancy.
- 37
38 (6) Act--Texas Education Code, Chapter 132, Career Schools and Colleges.
- 39
40 (7) Address of record--In addition to the mailing address contained in the
41 application for a certificate of approval, each career school or college shall
42 establish an email address of record for a distribution list that consistently
43 maintains a minimum of two current subscribers, with the format of the
44 address to be "School#Director@xdomain," for example,
45 S1111Director@gmail.com.
- 46

- 1 (8) Advertising--Any affirmative act designed to call attention to a school or
2 program for the purpose of encouraging enrollment.
3
- 4 (9) Agency--The unit of state government established under Texas Labor Code,
5 Chapter 301, that is presided over by the Commission and administered by the
6 executive director to operate the integrated workforce development system and
7 administer the unemployment compensation insurance program in this state as
8 established under the Texas Unemployment Compensation Act, Texas Labor
9 Code Annotated, Title 4, Subtitle A, as amended. The definition of Agency
10 applies to all uses of the term in this chapter.
11
- 12 (10) Appellant--The party or the party's authorized hearing representative who files
13 an appeal from an appealable determination or decision.
14
- 15 (11) Asynchronous distance education--Distance education training that the Agency
16 determines is not synchronous.
17
- 18 (12) Class, course, or course of instruction--An identifiable unit of organized
19 instruction that is part of a program of instruction.
20
- 21 (13) Commission--The body of governance of the Texas Workforce Commission
22 composed of three members appointed by the governor as established under
23 Texas Labor Code, §301.002 that includes one representative of labor, one
24 representative of employers, and one representative of the public. The
25 definition of Commission applies to all uses of the term in this chapter.
26
- 27 (14) Coordinating Board--The Texas Higher Education Coordinating Board.
28
29
- 30 (15) Course time or course time hour--A class period that is:
31
- 32 (A) a 50-minute to 60-minute lecture, recitation, or class, including a
33 laboratory class or shop training, in a 60-minute period;
34
- 35 (B) a 50-minute to 60-minute externship in a 60-minute period; or
36
- 37 (C) 60 minutes of preparation in asynchronous distance education.
38
- 39 (16) Date of notice--The date the notice is mailed, unless good cause exists for the
40 hearing officer to determine otherwise.
41
- 42 (17) Date of request of hearing--The date on which the appellant or the hearing
43 representative filed a written notice of appeal with the Agency by hand
44 delivery, facsimile, or mail. If an appeal is mailed to the Agency, then the
45 appeal is perfected as of the postmark date on the envelope containing the
46 appeal request unless good cause exists for the hearing officer to determine

1 otherwise. If an appeal is delivered by hand or facsimile after 5:00 p.m., the
2 date of request shall be the next day.

- 3
- 4 (18) Distance education course--Either a seminar or a program that is offered to
5 nonresidence school students delivered either synchronously or
6 asynchronously to the student from a remote site.
7
- 8 (19) Distance education school--A school that offers only distance education
9 courses.
10
- 11 (20) Employment--A graduating or graduate student's employment in the same or
12 substantially similar occupation for which the student was trained.
13
- 14 (21) Good reputation--The possession of honesty and truthfulness, trustworthiness
15 and reliability, and a professional commitment to the educational process and
16 the training or preparing of a person for a field of endeavor in a business, trade,
17 technical, or industrial occupation, as well as the condition of being regarded
18 as possessing such qualities. In determining whether a person is of good
19 reputation, the Agency is not limited to the following acts or omissions. The
20 Agency may consider similar acts or omissions and rehabilitation efforts in
21 response to prior convictions in making its determination. A person may be
22 considered to lack good reputation if the person:
23
- 24 (A) has been convicted of a felony or any other crime that would constitute
25 risk of harm to the school or students as determined by the Agency;
26
 - 27 (B) has been successfully sued for fraud or deceptive trade practices, or
28 breach of contract, within the last 10 years;
29
 - 30 (C) owns or administers a school currently in violation of legal requirements,
31 has owned or administered a school with repeated violations, or has
32 owned or administered a school that closed with violations including, but
33 not limited to, unpaid refunds or administrative penalties; or
34
 - 35 (D) has falsified or withheld information from the Agency.
36
- 37 (22) Hearing--An informal, orderly, and readily available proceeding held before an
38 impartial hearing officer. A party or hearing representative may present
39 evidence to show that the Agency's determination should be reversed,
40 affirmed, or modified.
41
- 42 (23) Hearing officer--An Agency employee designated to conduct impartial
43 hearings and issue final administrative decisions.
44
- 45 (24) Hearing representative--Any individual authorized by a party to assist the party
46 in presenting the party's appeal. A hearing representative may be legal counsel

1 or another individual. Each party may have a hearing representative to assist in
2 presenting the party's appeal.

- 3
- 4 (25) Human trafficking--The action or practice of illegally transporting people for
5 the purposes of forced labor or commercial sexual exploitation, including all
6 offenses referred to in Texas Penal Code, Chapter 20A.
- 7
- 8 (26) Hybrid program or blended program--A program that has any combination of
9 residence and synchronous distance education offerings.
- 10
- 11 (27) Job placement--An active effort by the school to assist the student in obtaining
12 employment in the same or substantially similar stated occupation for which
13 the student was trained. Active efforts include, but are not limited to, the
14 school:
- 15
- 16 (A) arranging an interview;
- 17
- 18 (B) contacting potential employers; and/or
- 19
- 20 (C) bringing potential employers to the school to assist the student.
- 21
- 22 (28) Master Student Registration List (MSRL)--A comprehensive list with an entry
23 made for any person who signs an enrollment agreement, makes a payment to
24 attend the school, or attends a class. The entry shall be made on the date the
25 first of these events occurs.
- 26
- 27 (29) Military service--Service as a member of the armed forces of the United States,
28 including service in the National Guard or Reserves.
- 29
- 30 (30) Owner--
- 31
- 32 (A) In the case of a career school or college owned by an individual or
33 married couple, that individual or married couple;
- 34
- 35 (B) In the case of a career school or college owned by a partnership, all full,
36 silent, and limited partners;
- 37
- 38 (C) In the case of a limited liability company, all members and managers;
- 39
- 40 (D) In the case of professional associations, the members and governing
41 persons;
- 42
- 43 (E) In the case of a career school or college owned by a corporation, the
44 corporation, its directors, officers, and each shareholder owning shares of
45 issued and outstanding stock aggregating at least 10 percent of the total of
46 the issued and outstanding shares;

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- (F) In the case of a career school or college in which the ownership interest is held in trust, the beneficiary of that trust;
 - (G) In the case of a career school or college owned by another legal entity, a person who owns at least 10 percent ownership interest in the entity; or
 - (H) In all instances, for any entity owned by a parent or holding entity, whether in whole or part, the definition of an owner shall extend to those entities and corresponding person.
- (31) Owner designee--A person designated in writing by an owner to act on behalf of the ownership, including having signatory authority.
 - (32) Party--The person or entity with the right to participate in a hearing authorized in applicable statute or rule.
 - (33) Program or program of instruction--A postsecondary sequence of organized instruction or study that may lead to an academic, professional, or vocational degree, certificate, or other recognized educational credential.
 - (34) Refund--The completed payment of a refund such that the refund instrument has been negotiated or credited into the proper account(s).
 - (35) 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.
 - (36) Residence school--A school that offers at least one program that includes classroom instruction or synchronous distance education.
 - (37) 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.
 - (38) 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.
 - (39) School authorized official--Any identified owner, director, or owner designee of a school.
 - (40) School, educational institution, or training program--A "career school or career college," as defined in the Act, that includes each location where courses of instruction shall be offered.

- 1 (41) Secondary education--Successful completion of public, private, or home
2 schooling at the high school level or obtainment of a recognized high school
3 equivalency credential, recognized by an institution of higher education or a
4 private or independent institution of higher education, as defined by Texas
5 Education Code, §61.003.
6
- 7 (42) Seminar or workshop--A type of program that enhances a student's career, as
8 opposed to a program that teaches the skills and fundamental knowledge
9 required for a stated occupation. A seminar may include a workshop, an
10 introduction to an occupation or cluster of occupations, a short course that
11 teaches part of the skills and knowledge for a particular occupation, language
12 training, continuing professional education, and review for postsecondary
13 examination.
14
- 15 (43) Seminar school--A school that offers only seminars.
16
- 17 (44) Small school--A "small career school or college" as defined in the Act.
18
- 19 (45) Stated occupation--An occupation for which a program is offered that:
20
21 (A) is recognized by a state or federal law or by a state or federal agency as
22 existing or emerging;
23
24 (B) is in demand; and
25
26 (C) requires training to achieve entry-level proficiencies.
27
- 28 (46) Student--Any individual solicited, enrolled, or trained in Texas by a school.
29
- 30 (47) Subject--An identifiable unit of instruction or study that imparts specific
31 knowledge or skills, which is a subpart of a program or seminar.
32
- 33 (48) Suspension of enrollments--A sanction that requires the school to suspend
34 enrollments, re-enrollments, advertising, and solicitation, and to cease, in any
35 way, advising prospective students, either directly or indirectly, of the
36 available courses of instruction.
37
- 38 (49) Synchronous distance education--The Agency may determine distance
39 education to be synchronous under the following conditions:
40
41 (A) the training is conducted simultaneously in real time, or the training is
42 conducted so that the manner of delivery ensures that even if the
43 instructor and student are separated by time, the course time of
44 instruction that the student experiences can be determined; and
45

1 (B) there is consistent interaction between the student(s) and the instructor on
2 a schedule that includes a definite time for completion of the program
3 and periodic verifiable student completion/performance measures that
4 allow the application of the progress standards of Subchapter L of this
5 chapter and attendance standards of Subchapter M of this chapter.
6

7 (50) Title IV school--A career school or college that participates in student financial
8 aid programs under Title IV, Higher Education Act of 1965 (20 United States
9 Code Section 1070 et seq.).

10
11 (51) Tour--A required, in-person inspection of the facilities and equipment
12 pertaining to a course of instruction.

13
14 (52) Week--Seven consecutive calendar days.
15

16 **§807.3. Memorandum of Understanding for Regulation of Schools.**
17

18 The Act requires the Agency to execute a memorandum of understanding with Trellis
19 Company, formerly known as the Texas Guaranteed Student Loan Corporation, and each
20 state agency regulating schools to reduce default rates at the regulated schools and to
21 improve the overall quality of the programs. Copies of the required memoranda of
22 understanding shall be maintained and made available upon request.
23

24 **§807.5. Suspensions.**
25

26 The executive director may suspend the operation of one or more of the provisions in this
27 chapter, not statutorily imposed, if he or she finds that a public emergency or imperative
28 public necessity exists, and that the suspension will best serve the public health, safety, or
29 welfare.
30

31 **§807.6. Application Processing Periods.**
32

33 (a) The time periods for processing applications from schools, including small
34 businesses, for certificates of approval shall be in accordance with the following time
35 periods:
36

37 (1) Initial notification of acceptance or return of original application, to include the
38 reason for the return is 10 days;

39
40 (2) original certificate of approval--90 days;

41
42 (3) renewed certificate of approval--45 days from the expiration of the current
43 certificate;
44
45
46

- 1 (b) In the event the application is not processed in the time periods as stated in this
2 section, the applicant has the right to request of the Commission full reimbursement
3 of all filing fees paid in that particular application process. If the Commission does
4 not agree that the established time periods have been violated or finds that good
5 cause existed for exceeding the established periods, the request will be denied.
6
7
8
9

10
11 **§807.7. Exemptions.**
12

- 13 (a) A school seeking an exemption must apply for approval to the Agency under
14 §132.002 or §132.003 of the Act.
15
16
17 (b) A school may appeal the denial or revocation of an exemption in accordance with
18 the provisions of Subchapter D of the Act.
19
20
21 (c) Schools shall be required to provide documentation and additional information, as
22 requested by the Agency, to facilitate the determination of whether a school meets
23 the requirements of an exemption set out in the Act. All requests for exemption must
24 provide:
25
26 (1) the school's legal name, physical address, telephone number, and website, if
27 applicable, along with the name and phone number of the ownership and
28 owner partners; and
29
30 (2) the name, objective, length, and cost of the course(s) offered.
31
32

33 **§807.8. Confidentiality of Information.**
34

35 All student-specific information obtained from or about any school by the Agency,
36 including, but not limited to, data submitted under §807.284(a) of this chapter, is
37 confidential information and not releasable, and is not public information under Texas
38 Government Code, Chapter 552, but may be compiled and reported to the public at a
39 summary level of information that does not include the personally identifiable
40 information of any student or allow for the identification of any student through
41 combination with other publicly available information.
42

43 **SUBCHAPTER B. CERTIFICATES OF APPROVAL**
44

45 **§807.11. Original Approvals.**
46

- 1 (a) A complete application for an original certificate of approval shall consist of the
2 following:
3
4 (1) a completed application form provided by the Agency;
5
6 (2) complete and correct financial statements, as specified in this chapter,
7 demonstrating the school is financially stable and capable of fulfilling its
8 commitments for training;
9
10 (3) the application fee as specified in this chapter; and
11
12 (4) any other revisions or evidence necessary to bring the school's application for
13 approval to a current and accurate status as requested by the Agency.
14
15 (b) Schools shall fully satisfy the Agency application requirements within 90 days of
16 receipt of the original application, or else the application may be considered
17 withdrawn.
18
19 (c) If a school fails to respond to a request for additional information within 21 days, the
20 Agency may withdraw the application.
21
22 (d) To reapply, a school shall submit:
23
24 (1) a complete application as required in subsection (a) of this section, including
25 applicable fees; and
26
27 (2) an affidavit stating that the school will not reopen until it has been issued a
28 Certificate of Approval.
29

30 **§807.12. Renewal.**

- 31
32 (a) For small schools holding a multiyear certificate, the certificate of approval shall be
33 renewed at least every three years, or more frequently as determined by the Agency.
34 A complete application for renewal of a certificate of approval shall consist of the
35 following:
36
37 (1) complete and correct annual financial statements, as specified in this chapter,
38 demonstrating the school is financially stable and capable of fulfilling its
39 commitments for training;
40
41 (2) the renewal fee specified in this chapter; and
42
43 (3) any other revisions or evidence necessary to bring the school's application for
44 approval to a current and accurate status as requested by the Agency.
45

- 1 (b) For all other schools, the certificate of approval shall be renewed annually. A
2 complete application for renewal of a certificate of approval shall consist of the
3 following:
4
- 5 (1) a completed application for renewal form provided by the Agency;
 - 6
 - 7 (2) complete and correct annual financial statements for the most recent fiscal year
8 demonstrating the school is financially stable and capable of fulfilling its
9 commitments for training;
 - 10
 - 11 (3) the renewal fee specified by this chapter; and
 - 12
 - 13 (4) any other revisions or evidence necessary to bring the school's application for
14 approval to a current and accurate status as requested by the Agency.
 - 15
- 16 (c) The effective, expiration, and issuance dates are indicated on the certificate of
17 approval. The Agency may reflect the date of renewal as the date following the date
18 of expiration of the prior certificate of approval, if the school submitted a timely
19 request for renewal and met all of the requirements contained in this chapter for
20 renewal.
- 21
- 22 (d) The complete renewal application shall be postmarked on or before the due date as
23 indicated in the Act.

24
25 **§807.13. Change in ownership.**
26

- 27 (a) The Agency may consider the addition or deletion of any person defined as an owner
28 under the Act as a change in school ownership. The school may notify the Agency of
29 the change in ownership a minimum of 45 days before the change in ownership to
30 request that the Agency in lieu of a full application accept a partial application.
31
- 32 (b) The Agency may require submission of a full application for approval for a change
33 in ownership if:
34
- 35 (1) the Agency has a reasonable basis to believe the change in ownership of the
36 school may significantly affect the school's continued ability to meet the
37 criteria for approval; or
 - 38
 - 39 (2) the school fails to file notice of the change of ownership at least 45 days prior
40 to the ownership transfer.
 - 41
- 42 (c) The Agency may require a partial application for approval for a change in ownership
43 if the Agency reasonably believes the change in ownership will not significantly
44 affect the school's continued ability to meet the criteria for approval.
- 45
- 46 (d) The purchaser of a school shall accept responsibility for all refund liabilities.

- 1
2 (e) Management Agreements must be disclosed to the Agency. Parties to a management
3 agreement shall be of good reputation and character.
4

5 **§807.14. Locations.**
6

- 7 (a) A school shall obtain a certificate of approval for each location where courses of
8 instruction will be offered, unless the school has a certificate of approval and meets
9 one of the exceptions in this section.
10
11 (b) The Agency may approve the following as exempt from applying for approval for a
12 new or additional location, if requested at least 30 days in advance:
13
14 (1) seminars, including preparation for licensing examinations, educational
15 institution entrance examinations, and reading improvement;
16
17
18 (2) classes at facilities used for additional classrooms for instructional services
19 only, which are within a one-mile radius of the main campus and are
20 dependent on the main campus for administration, supervision, fiscal control,
21 and student services; or
22
23 (3) short-term programs. Short term programs:
24
25 (A) include course time of 200 hours or less of instruction; and
26
27 (B) are conducted with at least a 90-day interval between cessation of one
28 program and the beginning of the next.
29
30 (c) The school shall file an application for a certificate of approval to reflect a new or
31 additional location, including all documents deemed necessary by the Agency, and
32 the appropriate fee. The Agency may issue the certificate of approval after inspection
33 of the new facilities.
34
35 (d) If the Agency determines that a move of the school presents an unreasonable
36 transportation hardship which would prevent a student from completing the training
37 at the new location, the school shall provide a full refund of all monies paid and a
38 release from all obligations to the student.
39

40 **§807.15. Notification of Actions.**
41

- 42 (a) Unless otherwise instructed by the Agency, a school shall notify the Agency in
43 writing of any legal action to which the school, any of its owners, representatives, or
44 management employees is a party.
45

- 1 (b) A school shall notify the Agency in writing of any legal action described in this
2 section no later than five business days after the action is known to be filed or the
3 school, owner, representative, or management employee is served.
4
- 5 (c) An owner shall notify the Agency in writing no later than five business days of each
6 instance of:
7
- 8 (1) lease or mortgage default; or
9
- 10 (2) lease or mortgage payment(s) being past due greater than 30 days.
11
- 12 (d) A school shall include, with the notice required in this section, a file-marked copy of
13 the legal notice, petition, complaint, or other legal instrument, including copies of
14 any judgments.
15
- 16 (e) A school shall notify the Agency in writing no later than five business days after
17 receiving notice of any change in accreditation status or Title IV status, including but
18 not limited to, Heightened Cash Monitoring 1 or 2, loss of eligibility, composite
19 score, 90/10 ratio or default rate problems, or other similar changes.
20

21 **§807.16. Degrees.**
22

- 23 (a) For approval to grant degrees, the school shall make application to the Coordinating
24 Board.
25
- 26 (b) The Agency may recognize the approval to grant degrees upon receipt of notice
27 issued by the Coordinating Board and the school's accreditor.
28

29 **§807.17. Unlicensed Schools.**
30

31 If a career school or college, as defined in the Act, operates, solicits, or enrolls students,
32 or conducts any course of instruction before receiving a certificate of approval or an
33 exemption from the Agency, the Agency may take one or more of the following actions:
34

- 35 (1) assess a penalty;
36
- 37 (2) require full refunds to all students; or
38
- 39 (3) issue a cease and desist order.
40

41 **SUBCHAPTER C. FINANCIAL REQUIREMENTS**
42

43 **§807.31. Definitions Relating to Financial Requirements.**
44

45 The following words and terms, when used in this subchapter, shall have the following
46 meanings unless the context clearly indicates otherwise.

- 1
- 2 (1) Attest services--An audit, review, compilation, or other assurance engagement
- 3 that must be performed in accordance with standards promulgated by the
- 4 American Institute of Certified Public Accountants or other Commission-
- 5 recognized accountancy organization.
- 6
- 7 (2) GAAP--Generally Accepted Accounting Principles.
- 8
- 9 (3) GAAS--Generally Accepted Auditing Standards.
- 10
- 11 (4) Sworn statement--A notarized statement including the following language: "I
- 12 swear or affirm that the information in these statements is true and correct to
- 13 the best of my knowledge."
- 14
- 15 (5) Unearned tuition affidavit--A statement of the highest amount of unearned
- 16 tuition at any time during the most recent fiscal year and the gross amount
- 17 minus refunds of student tuition and fees earned during the fiscal year in all
- 18 courses approved under the Act.
- 19

20 **§807.32. Financial Standards.**

- 21
- 22 (a) The balance sheet required in this subchapter shall, at a minimum, reflect the
- 23 following:
- 24
- 25 (1) positive equity or net worth balance;
- 26
- 27
- 28 (2) a current ratio of at least one-to-one; and
- 29
- 30 (3) stockholder's equity or net worth exceeding the amount shown for goodwill, if
- 31 applicable, under assets in the balance sheet.
- 32
- 33 (b) All financial statements shall be accompanied by the unearned tuition affidavit and
- 34 owner's sworn statement certifying that the unearned tuition affidavit and financial
- 35 statements are true and correct.
- 36
- 37 (c) All financial statements shall be prepared in accordance with GAAP.
- 38
- 39 (d) All financial statement attest services shall be completed in accordance with GAAS,
- 40 or other standards promulgated by the American Institute of Certified Public
- 41 Accountants, as applicable, and comply with jurisdictional laws.
- 42
- 43 (e) A school that maintains a financial responsibility composite score that meets the
- 44 general standards established in federal regulations by the United States Department
- 45 of Education for postsecondary institutions participating in student financial
- 46 assistance programs authorized under Title IV of the Higher Education Act of 1965,

1 as amended, shall be considered to have met the financial standards of this
2 subchapter. A school that qualifies under an alternative standard but not the general
3 standard of these federal regulations will not be considered to have met the financial
4 standards of this subchapter unless the school meets the other requirements stated in
5 this subchapter.
6

7 **§807.33. Financial Requirements for Original Approvals.**
8

9 (a) The prospective owner shall furnish the Agency with the following:

- 10
11 (1) for a school owned by a sole proprietor, a reviewed personal balance sheet
12 with notes that disclose the amount of payments for the next five years to meet
13 debt agreements as required by GAAP; or
14
15 (2) for all other ownership structures, an audited balance sheet consistent with
16 GAAP and GAAS.
17

18 (b) The school shall submit a balance sheet, a list of the expected school-related
19 expenses for the first three full calendar months of operation of the school, and a
20 sworn statement signed by the owner affirming the availability of sufficient cash to
21 cover projected expenses at the date of licensure. Projected expenses may include the
22 following:

- 23
24 (1) employee salaries, including withholding, unemployment taxes, and any other
25 related expenses;
26
27 (2) lease payments for equipment;
28
29 (3) lease payments for facilities;
30
31 (4) accounting, legal, and other specifically identified professional fees; and
32
33 (5) an estimate of other expenses such as advertising, travel, textbooks, office
34 supplies, classroom supplies, printing, telephone, utilities, taxes, and sales
35 commissions.
36

37 (c) The school shall submit a projection of the gross amount of tuition and fees to be
38 collected during each of the first two years of operation.
39

40 (d) The prospective owner shall also furnish such other evidence as may be deemed
41 appropriate by the Agency to establish financial stability.
42

43 **§807.34. Financial Requirements for Changes in Ownership.**
44

45 Prior to a change in ownership of a school, the purchaser shall furnish the Agency a
46 balance sheet meeting the requirements outlined in this subchapter for original approvals,

1 excluding the sufficient cash requirement for initial expenses. The purchaser shall furnish
2 any other evidence deemed appropriate by the Agency to establish financial stability.
3

4 **§807.35. Financial Requirements for Annual Reporting.**
5

6 (a) A school shall submit annual financial statements as set forth in this section that
7 shall be:

8
9 (1) audited;

10
11 (2) reviewed (except for the first renewal, which must be audited or compiled); or
12

13 (3) compiled, containing at least one note disclosing the current and long-term
14 liabilities. This note shall be similar to that required by GAAP for reviewed
15 and audited statements. Compiled statements are acceptable under the
16 following conditions:

17
18 (A) the gross annual revenue from student tuition and fees, less refunds, is
19 less than or equal to \$100,000; or
20

21 (B) the programs are less than 30 consecutive calendar days in length.
22

23 (b) Each school shall furnish true and correct financial statements annually and not later
24 than 180 days from the close of the school's fiscal year. These statements shall
25 include the following:

26
27 (1) balance sheet;

28
29 (2) statement of results of operation, which includes a statement of income and
30 retained earnings;

31
32 (3) statement of cash flows; and
33

34 (4) the gross amount minus refunds of annual student tuition and fees for each
35 school, separated from other revenues unrelated to training.
36

37 (c) A school with a gross annual revenue from student tuition and fees, less refunds, less
38 than or equal to \$100,000 may submit all of the following in lieu of the financial
39 statements required in this section:

40
41 (1) an unearned tuition affidavit;

42
43 (2) a copy of the annual federal income tax form(s) filed specifically for the
44 business; and
45

1 (3) an owner's sworn statement certifying that the unearned tuition affidavit and
2 the copy of the annual federal income tax form(s) are true and correct.
3

4 (d) A school that is a subsidiary of a corporation may submit, in lieu of the statements
5 required in this section, the annual audited financial statements of the parent
6 corporation provided that:
7

8 (1) said statements are accompanied by an audited list of any student tuition
9 refunds payable by the subsidiary school at the close of its fiscal year. The
10 statements shall also be accompanied by an owner's sworn statement reflecting
11 the gross amount minus refunds of student tuition and fees earned during the
12 fiscal year on all programs approved under the Act; and
13

14 (2) the parent corporation ensures that each student enrolled in the subsidiary
15 school receives either the training agreed upon or a refund as provided in the
16 Act and submits either a certified resolution of its board of directors to this
17 effect or any other evidence as deemed appropriate by the Agency to establish
18 financial responsibility by the parent corporation.
19

20 (e) A school or college that fails to provide financial statements that comply with the
21 requirements in this section and the standards identified in §807.32 of this
22 subchapter, within 60 days of the date that they receive notice of any deficiencies,
23 may have their certificate of approval revoked.
24

25 **§807.37. Agency Ordered Audits.**

26
27 If the Agency determines that reasonable cause exists to question the validity of any
28 financial information submitted, or the financial stability of the school, the Agency may
29 order at the school's expense:
30

31 (1) an audit of a school's financial statements in accordance with this subchapter;
32 and
33

34 (2) the owner to furnish any other evidence deemed appropriate by the Agency to
35 establish financial stability. Failure of a career school or college to provide
36 compliant financial statements or other evidence required by the Agency, by
37 the date noted in such order, may result in revocation of its certificate of
38 approval.
39

40 **SUBCHAPTER D. REPRESENTATIVES**

41 **§807.51. Representative Requirements.**

42
43
44 (a) All school personnel soliciting or enrolling students must be registered as a
45 representative. This registration requirement does not apply to individuals owning

1 and operating a school in the capacity as a sole proprietor, joint venturer, or general
2 partner, due to their direct nature of ownership.

- 3
- 4 (b) The school shall apply annually to register representatives on forms provided by the
5 Agency and with the appropriate fee.
- 6
- 7 (c) A representative shall be of good reputation and under the control of the school and
8 is deemed to be the agent of the school. The school is responsible for any
9 representations or misrepresentations, expressed or implied, made by a
10 representative.
- 11
- 12 (d) Any student solicited or enrolled by an unregistered representative is entitled to a
13 refund of all monies paid and a release from all obligations to the school. Any
14 contract signed by a prospective student as a result of solicitation or enrollment by an
15 unregistered representative is null and void and unenforceable.
- 16
- 17 (e) Representatives shall participate in training approved by the Agency that covers the
18 Act and Commission rules relative to representatives, admissions, advertising, and
19 any other topics as required by the Agency to support the legal and ethical
20 solicitation and enrollment of students.

21

22 **§807.53. Representative Limitations.**

- 23
- 24 (a) The representative shall not begin solicitation of students until the school receives
25 notice of approval for the school and registration of the representative from the
26 Agency.
- 27
- 28 (b) Employees and other agents of recruiting firms shall not serve as representatives.
- 29
- 30 (c) A representative shall not:
- 31
- 32
- 33 (1) offer as an inducement or enticement any material consideration to a
34 prospective student prior to enrollment, such as cash, food, housing, or gifts;
- 35
- 36 (2) administer the entrance test;
- 37
- 38 (3) advise students about financial aid, other than informing the students of the
39 general availability of financial aid;
- 40
- 41 (4) give false, misleading, or deceptive information about any aspect of the
42 school's operation, courses, programs, completion or employment rates,
43 examination success rates, job placement, or salary potential;
- 44

- (5) concurrently solicit for or represent more than one school, unless the owner of each school being represented is informed that the representative is also soliciting for or representing other schools;
- (6) engage in acts or practices that have a tendency to intimidate, coerce, or mislead a prospective student into accepting an enrollment;
- (7) represent that a school, course, or program has sponsorship, credentials, approval, characteristics, credit transferability, uses, benefits, or qualities that it does not have;
- (8) discredit another school or its courses or programs by false or misleading representation of facts;
- (9) solicit enrollments in a course or program that has not been approved by the Agency;
- (10) solicit students for a school through an employment agency;
- (11) omit advising students on the school's policies and procedures regarding granting of credit; or
- (12) violate any legal requirement or prohibition contained in the Act or this chapter.

§807.54. Representative Compliance.

The Agency may hold representatives liable for violations of statute, Commission rules, policies, and procedures notwithstanding §807.51(c) of this subchapter. Violations may result in sanctions up to and including revocation of approval to serve as a representative in Texas, in accordance with the matrix in this section.

Figure: 40 TAC §807.54

GRADUATED CORRECTIVE ACTIONS	
	<i>Sanction to Representative</i> (to serve as a representative in a school licensed in Texas)
Initial Violation	Conditional registration and retraining
Multiple Violations	Suspension of registration and retraining
Repeat Violation	Revocation or denial of registration
Felony Conviction	Denial, suspension, or revocation of registration
VIOLATIONS	
<i>Representative Approval</i>	
Soliciting or enrolling students without registration as a representative	
Failure to provide required or accurate information in the representative registration application	
Soliciting or enrolling students for multiple schools, without agreement of all school owners	
Soliciting or enrolling students without taking required training	
<i>Representative Behavior</i>	
Misrepresentation of the school's courses or programs	
Providing incomplete or inaccurate information about the school (such as employment outcomes, extent of transferability of credits)	
Discrediting other schools	
Soliciting or enrolling students into unapproved courses or programs	
Soliciting students in disallowed locations	
Soliciting or enrolling students into unapproved courses or programs	
Offering students financial inducements to enroll	
Coercing students to enroll	
Administering entrance tests	
Advising students on financial aid	
Soliciting as, or on behalf of, an employment agency	
Failing to invite students to tour the school's facility and inspect the equipment	
Omitting advising students on the school's policies and procedures regarding granting of credit	
Violating any other provision of statute or rule relating to career schools and colleges	

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SUBCHAPTER E. SCHOOL DIRECTOR AND ADMINISTRATIVE STAFF

§807.62. School Director Qualifications and Duties.

- (a) A school director shall be of good reputation. A school director of a small school must have at minimum one year of administration or management experience. A school director of other than a small school must have at minimum five years of administration or management experience or at least two years of experience as a director of a career school or college. An equivalent duration of higher education,

1 college or university, may be substituted, year for year, for administration or
2 management experience.

3
4
5 (b) The school shall obtain Agency approval for the school director before employment
6 of the school director.

7
8 (c) The school director is responsible for the courses of instruction, organization of
9 classes, designation of a liaison for Agency compliance visits, maintenance of the
10 school facilities and proper administrative records, and all other matters related to the
11 administration of the school, as determined by the Agency.

12
13 (d) The Agency may require the school director to attend additional training to continue
14 approved director status if a school has more than one substantiated complaint from
15 students during a one-year period. If the school has repeat violations from a previous
16 year under the same director, the Agency may revoke the approval of the school
17 director.

18
19 (e) The school director shall:

20
21 (1) ensure that all facilities, including housing endorsed by the school, comply
22 with local, city, county, municipal, state, and federal regulations such as, but
23 not limited to, fire, building, and sanitation codes; and

24
25 (2) inspect facilities, including housing, before endorsement.

26
27 **§807.63. Acting School Director.**

28
29 (a) The Agency may allow a school to designate an acting school director for a period
30 not to exceed 90 days or as otherwise approved by the Agency, who is:

31
32 (1) a currently approved school director at another location with the same owner to
33 facilitate the approval process at a new location;

34
35 (2) a new school director pending approval by the Agency; or

36
37 (3) required by an emergency as determined by the Agency.

38
39 (b) The school shall provide written notice to the Agency, delivered by the end of the
40 first day following the appointment of the acting school director.

41
42 **§807.64. Director of Education Requirements.**

43
44 (a) A school may have a director of education.

- 1 (b) If the school employs a director of education, the director shall meet the same
2 qualifications as an instructor and, in addition, shall have:
3
4 (1) one year of employment as a postsecondary instructor;
5
6 (2) one year of supervisory employment experience; and
7
8 (3) a bachelor's degree, appropriate for the skills required, as determined by the
9 Agency.

10
11 **§807.66. Director of Admissions Requirements.**
12

- 13 (a) A school may have a director of admissions.
14
15 (b) If the school employs a director of admissions, the director shall be of good
16 reputation and, in addition, shall have:
17
18 (1) one year of management or administration experience; and
19
20 (2) one year of admissions experience.

21
22 **SUBCHAPTER F. INSTRUCTORS**
23

24 **§807.81. Instructor Qualifications.**
25

- 26 (a) The instructor shall be of good reputation and shall not be a current student in the
27 same or similar course of instruction, as determined by the Agency, in which the
28 instructor teaches.
29
30 (b) Instructors shall possess and affirm on forms provided by the Agency that the
31 instructor has one of the following qualifications that applies to the subject area to be
32 taught. In such cases where the practical experience is gained on a seasonal basis as
33 an industry standard, the season of at least three full calendar months of experience
34 shall be considered as one year of experience.
35
36 (1) The instructor has a master's degree or higher that:
37
38 (A) includes satisfactory completion of six semester credit hours or eight
39 quarter credit hours in the subject to be taught;
40
41 (B) includes satisfactory completion of three semester credit hours or four
42 quarter credit hours in the subject area and one year of related practical
43 experience within the ten years immediately preceding employment by
44 the school, if the subject to be taught is in a technical field;
45

- 1 (C) includes satisfactory completion of three semester credit hours, or four
2 quarter credit hours in the subject area to be taught, if the subject to be
3 taught is in a nontechnical field; or
4
- 5 (D) is supplemented by one year of related practical experience in the subject
6 to be taught within the ten years immediately preceding employment by
7 the school, if the subject to be taught is in a nontechnical field.
8
- 9 (2) The instructor has a bachelor's degree that:
- 10
- 11 (A) includes satisfactory completion of nine semester hours or 12 quarter
12 hours related to the subject area to be taught;
13
- 14 (B) includes satisfactory completion of six semester credit hours or eight
15 quarter credit hours in the subject area to be taught and one year of
16 related practical experience within the ten years immediately preceding
17 employment by the school, if the subject to be taught is in a technical
18 field;
19
- 20 (C) includes satisfactory completion of three semester credit hours or four
21 quarter credit hours in the subject area and one year of related practical
22 experience within the ten years immediately preceding employment by
23 the school, if the subject to be taught is in a nontechnical field; or
24
- 25 (D) is supplemented by two years of related practical experience within the
26 ten years immediately preceding employment by the school.
27
- 28 (3) The instructor has an associate degree that:
- 29
- 30 (A) includes satisfactory completion of nine semester credit hours or 12
31 quarter hours in the subject area to be taught and two years of related
32 practical experience within the ten years immediately preceding
33 employment by the school; or
34
- 35 (B) is supplemented by three years of related practical experience within the
36 ten years immediately preceding employment by the school.
37
- 38 (4) The instructor has a secondary education that includes a certificate of
39 completion from a recognized postsecondary school for a program with course
40 time of at least 900 hours in a relevant course area and four years of related
41 practical experience within the ten years immediately preceding employment
42 by the school; or
43
- 44 (5) The instructor has proof of satisfactory completion of secondary education and
45 five years of related practical experience within the ten years immediately
46 preceding employment by the school.

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(c) In addition to the other applicable requirements for instructors, including the good reputation requirement, the following qualifications apply to the specific instructors listed in this subsection.

(1) The Agency requires that a court reporting instructor of only machine shorthand theory and speedbuilding shall have:

- (A) an associate degree or higher and certificate of completion of machine shorthand theory requirements in an accredited court reporting program;
- (B) an associate degree in court reporting from any state-recognized school;
- (C) a Registered Professional Reporter or Certified Shorthand Reporter certification from any state; or
- (D) a certificate of completion of a court reporting program from a state-certified school.

(2) The Agency requires that a court procedures and technology instructor shall have:

- (A) a Registered Professional Reporter or Certified Shorthand Reporter certification; and
- (B) one year of court reporting experience.

(3) The Agency requires that a modeling instructor shall have, at a minimum:

- (A) a secondary education and certificate of completion from a modeling program of at least 45 hours of course time from a state recognized school and at least five verifiable paid modeling jobs completed within the past five years; or
- (B) a secondary education and at least ten verifiable paid modeling jobs completed within the past five years.

(4) The Agency requires that a truck driving instructor shall have, at a minimum:

- (A) a secondary education;
- (B) certified proof of successful completion of course time of 40 hours in safety education and driver training as required by this chapter; and
- (C) three years of full-time tractor trailer driving experience within the ten years immediately preceding employment by the school.

1
2 (5) The Agency requires that a bartending instructor shall be certified by the Texas
3 Alcoholic Beverage Commission as having completed the required seller
4 training program.
5

6 (d) The director shall ensure that an instructor applicant demonstrates sufficient
7 language proficiency to teach the class for which the instructor is applying to teach.
8

9 (e) For those instructors who return to the school prior to one full year of absence, and
10 who will be teaching the same subjects as previously approved, the school shall
11 document the leave and reinstatement dates in the instructor's personnel file. When
12 an instructor begins teaching new subjects or the absence was more than one year,
13 the school shall submit a new application to the Agency.
14

15 **§807.82. Temporary Instructors.**
16

17 (a) The Agency may allow a school to use a previously unapproved instructor to teach
18 temporarily for a period not to exceed 90 days.
19

20 (b) In such circumstances, the school shall provide written notice to the Agency
21 delivered no later than the first day the temporary instructor begins teaching. The
22 notice shall include:
23

24 (1) the subject(s) to be taught;
25

26 (2) the name of the temporary instructor;
27

28 (3) the reason for the temporary instructor; and
29

30 (4) any other information as required by the Agency.
31
32
33

34 (c) The temporary instructor shall have sufficient practical experience or education in
35 the subject area to be taught and shall not have been previously disapproved to teach
36 the class.
37

38 (d) There shall be no more than one temporary instructor per academic term in an
39 individual subject, unless specifically approved in advance by the Agency.
40

41 (e) Failure to comply with this section may result in sanctions, a full refund to all
42 students attending such classes, or both.
43

44 **§807.83. Instructor Application.**
45

- 1 (a) A school that has been licensed for at least one year and is accredited by an agency
2 recognized by the United States Secretary of Education is not required to submit
3 instructor applications to the Agency for approval. Documentation that the instructor
4 meets the requirements of this chapter must be kept on file at the school and
5 available for review immediately upon request.
6
- 7 (b) The school shall file an application for approval of an instructor on forms provided
8 by the Agency in accordance with the following criteria and ensure that the instructor
9 is of good reputation.
- 10
- 11 (1) The application shall be postmarked within five calendar days of employment
12 as an instructor subject to the conditions outlined in this subchapter. A school
13 may employ an instructor pending approval by the Agency.
14
- 15 (2) Depending upon the qualifications indicated on the application, the application
16 shall include one or more of the following:
- 17
- 18 (A) a legible copy of the postsecondary certificate or degree, or a transcript
19 indicating appropriate coursework completed, as applicable;
20
- 21 (B) proof of a current occupational license; and
22
- 23 (C) proof of secondary education.
- 24
- 25 (c) A school with degree programs shall ensure that instructors are of good reputation
26 and meet all the qualifications required by the Coordinating Board.
27
- 28 (d) The Agency may approve a variance from the specific qualifications contained in
29 §807.81 of this subchapter with sufficient justification and an assurance that the
30 program quality will not be lessened.
31
- 32 (e) The Agency may consider current approvals of instructors by other Texas state
33 agencies responsible for approval and regulation of the program, or any professional
34 certifications held by the instructor when submitted with the Agency's instructor
35 application. The Agency will accept notification, in lieu of a new instructor
36 application, for any instructor that has a current approval by the Agency to teach the
37 same classes at other schools that have the same owners.
38
- 39 (f) The Agency may require the school director of an accredited school to file
40 applications for instructors if there have been two substantiated complaints regarding
41 instructors in the previous year, or if the school is unable to produce, when
42 requested, documentation that all instructors meet the requirements of this
43 subchapter.
44
- 45 (g) The Agency may require a school director to submit and receive approvals for
46 instructor applications in advance of employing the instructors for a period of one

1 year if the school has had three instructor applications finally disapproved within the
2 previous two years.

3
4 **§807.84. School Responsibilities Regarding Instructors.**

- 5
6 (a) The school shall ensure that an appropriate number of instructors, as determined by
7 the Agency, have proper licensure or certificates required for the stated occupation's
8 objective. The holder of the license or certificate shall actively participate in course
9 development and revisions.
- 10
11 (b) The school shall ensure continuity of instruction through reasonable retention of
12 instructors to provide students with a quality education.
- 13
14 (c) The school director or director of education shall formally evaluate each instructor in
15 writing at least annually, subject to review by the Agency.
- 16
17 (d) The school director or director of education shall ensure that students are allowed the
18 opportunity to formally evaluate each instructor, including temporary instructors, in
19 writing at least annually and incorporate said evaluation in the instructor's overall
20 evaluation. These student evaluations are subject to review by the Agency.
- 21
22 (e) The school shall ensure that classes are taught only by approved instructors. Failure
23 to meet this requirement may entitle students to a refund and may subject the school
24 to sanctions.

25
26 **SUBCHAPTER G. STAFF EDUCATION REQUIREMENTS**

27
28 **§807.101. Initial Training.**

- 29
30 (a) A school director shall demonstrate a proficiency of the knowledge required to
31 operate a school before final Agency approval may be granted.
- 32
33 (b) The school shall provide in-service training within the first three full calendar
34 months of teaching to those instructors hired lacking teaching experience. In-service
35 training includes planned professional development opportunities that enable
36 inexperienced instructors to learn and develop effective teaching strategies and skills.
37 Topics shall include competency-based training, instructional methods, adult
38 learning styles, and student learning and skills assessment. Competency-based
39 training specifies the skills and skill levels required to complete a training program,
40 develops and organizes teaching and learning methods to enable students to achieve
41 the identified skills and levels of proficiency, and uses criterion-referenced
42 evaluation to measure achievement.

43
44 **§807.102. Continuing Education.**

- 1 (a) In selecting continuing education training, the school shall consider the factors set
2 out in §132.0551 of the Act. A school's selection of a continuing education provider
3 is subject to approval by the Agency.
4
5
6
7 (b) The school shall implement, maintain, and update annually a written plan for staff
8 development, which includes at a minimum, continuing education, staff meetings,
9 attendance at trade and professional conferences, and observation of, or participation
10 in, on-the-job activities.
11
12 (c) Each school director and director of admissions shall complete a minimum of six
13 hours of course time of continuing education applicable to the position within 12
14 months of employment in the position and each calendar year thereafter.
15
16 (d) The school shall provide and document in-service training that provides updates on
17 skills, knowledge, and technology required by business and industry for those
18 instructors who have taught for two years but have not gained relevant work
19 experience during the two-year period.
20

21 **SUBCHAPTER H. PROGRAMS OF INSTRUCTION**

22 **§807.121. Definitions Relating to Programs of Instruction.**

23 The following words and terms, when used in this subchapter, shall have the following
24 meanings unless the context clearly indicates otherwise.
25

- 26
27
28 (1) Externship--Practical, program-related, off-campus training under direct or
29 indirect instructor supervision, with a preplanned outline of experiences and
30 competencies. For purposes of determining whether a program is residence,
31 distance education, or a hybrid combination, the externship component will not
32 be a determining factor.
33
34 (2) Laboratory experience or lab--A specific experience of observation,
35 experimentation, practice, study, technical investigation, analysis, and practical
36 application of theory or verbal instruction involving hands-on supervised study
37 in a selected vocation or course.
38
39 (3) Lecture--A presentation of theories, concepts, procedures, or information about
40 a particular subject.
41
42 (4) New program--A program:
43
44 (A) not previously offered;
45
46 (B) previously offered and then discontinued;

- 1
2 (C) with a revised objective such that the program provides preparation for
3 different jobs than those for which the program was originally approved
4 (examples: legal secretary to paralegal; dental technician to medical
5 technician; computer operator to computer programmer); or
6
7 (D) with a 25 percent or more change within a 12-month period to the total
8 number of hours, content, or lessons (examples: course time from 1,000
9 hours to 750, 600 hours to 900, 20 lessons to 30, 60 semester credit
10 hours to 80).
11
12 (5) New seminar--A seminar:
13
14 (A) not previously offered;
15
16 (B) previously offered and then discontinued;
17
18 (C) with a revised objective; or
19
20 (D) with a 25 percent or more change in a 12-month period to the total
21 number of hours of the approved seminar.
22
23 (6) Revised program or seminar--Revisions include changes in admission
24 requirements, title, class title, objective description (but not the detailed
25 objective), course time hours or credit hours, or class hours of lecture,
26 laboratory, or externship. School calendars, class schedules, and price changes
27 are catalog changes, not revisions.
28
29 (7) Military service course credit directory--The Agency-published list of any
30 course types, with Classification for Instructional Program Codes (CIP codes),
31 that are identified by the Agency and the relevant military experience,
32 education, or training that may align with those programs or courses.
33

34 **§807.122. General Information for Programs of Instruction.**
35

- 36 (a) Each program of instruction submitted for approval shall be identified by a title.
37
38 (b) The Agency will not approve false, misleading, or deceptive titles.
39
40 (c) The school shall ensure that each program prepares the student for the stated
41 occupation.
42
43 (d) The school shall identify a demonstrable occupational demand for the stated
44 occupation. The Agency may consider the following in evaluating the school's
45 statement of occupational demand:
46

- 1 (1) publications of established relevant occupational associations;
- 2
- 3 (2) targeted occupation lists of Local Workforce Development Boards, if approved
- 4 by the Agency, or other local or state entities;
- 5
- 6 (3) references to advertisements in media for employment;
- 7
- 8 (4) occupation employment rate of students;
- 9
- 10 (5) percentage of graduating students who have previously completed the same or
- 11 a substantially similar program and who have obtained employment in the
- 12 same or substantially similar stated occupation for which they have been
- 13 trained;
- 14
- 15 (6) relative supply and demand for the stated occupation, including letters from
- 16 potential employers that describe their need for trained employees; or
- 17
- 18 (7) reports or publications relating to the specific occupational demand.
- 19
- 20 (e) The school shall:
- 21
- 22 (1) ensure the program and stated occupation comply with statutory and regulatory
- 23 requirements of the State of Texas, as well as codes adopted by the local
- 24 municipality or other authority having jurisdiction where the school is located,
- 25 and statutory and regulatory requirements of the location of the school, if it is
- 26 located out of state;
- 27
- 28 (2) provide competency-based programs;
- 29
- 30 (3) assess skills using primarily performance-based methods;
- 31
- 32 (4) use instructional media, methods, and materials appropriate for the program
- 33 content and students' knowledge and abilities;
- 34
- 35 (5) offer programs in a logical sequence of knowledge and skills;
- 36
- 37 (6) if deemed appropriate by the Agency, provide an externship or a simulation of
- 38 the workplace for the program; and
- 39
- 40 (7) for any course listed in the military service course credit directory, provide
- 41 credit to a student toward any course time required for the program of study or
- 42 course for skills obtained by the student through military experience,
- 43 education, or training, unless the school or college can demonstrate that those
- 44 skills are not appropriately aligned with the program of study or course. This
- 45 requirement prevails regardless of a course requiring Agency approval or
- 46 having obtained accreditor approval.

- 1
- 2 (f) Each program submitted for approval shall identify the courses and course time
- 3 hours allocated to that program. A program of a disproportionate length reasonable
- 4 to prepare the student for the stated occupation, as determined by the Agency, shall
- 5 not be approved.
- 6
- 7 (g) A school shall not apply for approval of a program that is substantially similar to a
- 8 discontinued or revoked program, unless the application for approval is submitted at
- 9 least one year after the date of discontinuation or revocation, and:
- 10
- 11 (1) the school's approved programs are all meeting the employment rate as
- 12 referenced in §807.131(b) of this subchapter, at the time of application; and
- 13
- 14 (2) the school submits a reimplementation plan to the Agency.
- 15
- 16 (h) A school is not required to submit applications for additional courses of instruction
- 17 or for course revisions to the Agency for approval, if the school:
- 18
- 19 (1) has been licensed for at least one year under the current ownership;
- 20
- 21 (2) is accredited by an agency recognized by the United States Secretary of
- 22 Education; and
- 23
- 24 (3) is in good standing with its designated accrediting agency and not subject to:
- 25
- 26 (A) probation;
- 27
- 28 (B) a directive to show cause as to why accreditation should not be revoked;
- 29 or
- 30
- 31 (C) any other action, as defined by the accrediting agency, that would
- 32 otherwise prevent the school from seeking approval to add or revise a
- 33 course of instruction.
- 34
- 35 (i) Upon receipt of the approval of the course of instruction from the accrediting agency,
- 36 the school shall provide a copy to the Agency.
- 37
- 38 (j) The Agency may require the school director of an accredited school to file
- 39 applications for nondegree programs if there have been two substantiated complaints
- 40 regarding courses in the previous year.
- 41
- 42 (k) A school submitting applications for approval of seminars shall use abbreviated
- 43 forms provided by the Agency.
- 44
- 45 (l) No program shall be approved by the Agency unless the school demonstrates that the
- 46 program's quality, content, and length reasonably and adequately imparts the job

1 skills and knowledge necessary for the student to obtain employment in the stated
2 occupation.

3
4 (m) A school may not solicit students, otherwise advertise, or conduct classes for a
5 course of instruction prior to the Agency's approval of the course of instruction. Any
6 such activity by the school, prior to the Agency's approval of the course of
7 instruction, shall constitute a misrepresentation by the school and shall entitle each
8 student in the course of instruction to a full refund of all tuition and fees paid by the
9 student and release from all obligations.

10
11 (n) The school shall establish and maintain a formal advisory committee of at least five
12 members, unless the Agency approves a lesser number of persons in advance, for
13 each type of program with course time in excess of 200 hours in length. A simple
14 majority of the members of the advisory committee shall not have an ownership or
15 financial interest in the school, nor shall they be employees of the school. At least
16 annually, the committee shall evaluate the curriculum, instructional materials and
17 media, equipment, and facilities to ensure they meet the needs of the job market. The
18 school shall have written documentation of the evaluation available for review by the
19 Agency. If the school does not follow an advisory committee recommendation, the
20 school shall maintain written documentation of the justification for not following the
21 recommendation.

22
23 (o) If the applicant requests approval to measure courses of instruction in credit hours,
24 the following conversion table shall be used.

25
26 (1) One academic quarter credit hour equals a minimum course time of:

27
28 (A) 10 hours of classroom lecture;

29
30 (B) 20 hours of laboratory experience; or

31
32 (C) 30 hours of externship.

33
34 (2) One academic semester credit hour equals a minimum course time of:

35
36 (A) 15 hours of classroom lecture;

37
38 (B) 30 hours of laboratory experience; or

39
40 (C) 45 hours of externship.

41
42 (3) The school shall calculate lecture, laboratory, and externship credit hour
43 conversions individually for each course, rounding down to the nearest half
44 credit hour. The school shall add the total for the credit hours for lecture,
45 laboratory, and externship to determine the total credit hours for a class.
46

1 **§807.123. Applications for Additional Programs of Instruction.**
2

3 (a) A school applying for approval of an additional program of instruction, after
4 receiving an original certificate of approval, shall submit a complete application that
5 includes:

6
7 (1) the appropriate fee;

8
9 (2) a completed application for approval on forms provided by the Agency; and

10
11 (3) any other revisions or evidence as requested by the Agency.
12

13 (b) The Agency may require an abbreviated program application if:

14
15
16 (1) the program objective changes; or

17
18 (2) the program length changes 25 percent or more.
19

20
21 (c) The Agency may deny an application for approval of an additional program of
22 instruction if the school is not in full compliance with the Act or this chapter.
23

24
25 **§807.129. Facilities.**
26

27 (a) In determining adequate space for lecture and laboratory experiences, the Agency
28 shall consider that the amount of lecture and laboratory space meets the use
29 requirements of the maximum number of current students in class with appropriate
30 seating facilities and/or workstations, as needed by the activity patterns of the
31 program.
32

33 (b) Enrollment shall not exceed the design characteristics of the available seating and/or
34 workstations.
35

36 **§807.130. Admission Requirements Relating to Programs of Instruction.**
37

38 (a) The school shall submit, for approval by the Agency, its admission requirements for
39 each program of instruction with justification for the requirements.
40

41 (b) The school shall ensure that the student demonstrates to the school sufficient
42 proficiency in the language of instruction to successfully complete the program of
43 instruction.
44

45 **§807.131. School Responsibilities Relating to Programs of Instruction.**
46

- 1 (a) As a condition of program approval or renewal, the school shall identify any portion
2 of instruction that is self-paced, conducted by distance education, or not conducted in
3 English.
4
- 5 (b) To maintain program approval, the school shall demonstrate the following:
6
7 (1) a reasonable student completion rate, as determined by the Agency, for each
8 program; and
9
10 (2) a minimum employment rate, as established by the Commission, for program
11 graduates in jobs related to the stated occupation.
12
- 13 (c) When a school is approved to offer a program, the school shall maintain sufficient
14 instructors to teach all subjects for completing the program during the length of time
15 stipulated in the school catalog, regardless of the size of the class.
16
- 17 (d) The school shall schedule classes so that students will be able to complete the
18 program during the length of time stipulated in the school catalog.
19
- 20 (e) The school shall ensure that students receive the lecture and laboratory experience
21 hours with sufficient instructors and scheduling. An instructor may not be
22 simultaneously supervising a laboratory experience and a lecture even if they are in
23 the same room.
24
- 25 (f) A school shall provide course outlines to students at the beginning of each subject
26 which lists students' performance objectives, references and resources, and a general
27 content outline for the subject.
28
- 29 (g) A school shall have and use lesson plans for all subjects.
30
- 31 (h) A school may not use classes from one or more approved programs to create a new
32 program and award a certificate of completion without prior approval.
33
- 34 (i) The student-to-instructor ratio shall be sufficient for students to learn, practice, and
35 demonstrate the necessary knowledge and skills. These ratios may be varied at the
36 discretion of the Agency to conform to conditions in an individual school. The
37 recommended student-instructor ratio per class does not exceed:
38
- 39 (1) lectures--30 to one;
40
41
42 (2) labs--20 to one; and
43
44 (3) intensive language instruction (beginning)--15 to one; (intermediate to
45 advanced)--20 to one.
46

1 **§807.132. Program of Instruction Revisions.**
2

- 3 (a) The school shall submit a revised program of instruction application for any
4 proposed changes in the program of instruction that shall be reflected in the school
5 catalog's course of instruction information.
6
7 (b) The school shall receive approval of proposed program of instruction revisions in
8 writing from the Agency before implementing the revisions.
9

10
11 **§807.133. Program Requirements for Degree Granting Schools.**
12

13 A school shall provide evidence to the Agency that they are authorized by the
14 Coordinating Board to offer degree programs.
15

16 **§807.134. Sanctions Relating to Programs of Instruction.**
17

- 18 (a) If an approved program of instruction is discontinued for any reason, the school shall
19 notify the Agency within 72 hours of discontinuance and furnished with the names
20 and addresses of any students who were prevented from completion of the program
21 of instruction due to discontinuance. Should the school fail to make arrangements
22 satisfactory to the students and the Agency for the completion of the program of
23 instruction, the full amount of all tuition and fees paid by the students are then due
24 and refundable. Any program of instruction discontinued will be removed from the
25 list of approved programs of instruction.
26
27 (b) The Agency may suspend enrollments in a particular program of instruction at any
28 time the Agency finds cause. For purposes of this subsection, cause includes, but is
29 not limited to:
30
31 (1) inadequate instruction;
32
33 (2) unapproved or inadequate curriculum;
34
35 (3) inadequate equipment; or
36
37 (4) inadequate facilities.
38
39 (c) If a school begins teaching a program of instruction or revised program of instruction
40 that has not been approved by the Agency, the Agency may require the school to
41 refund to the enrolled students all or a portion of the tuition fees.
42
43 (d) If upon review and consideration of an original, renewal, or revised application for
44 program of instruction approval, the Agency determines that the applicant fails to
45 meet the requirements in the Act or this chapter, the Agency will notify the school,
46 setting forth in writing the reasons for the denial. This may include summaries of

1 peer evaluations from both educators and employers offering similar programs of
2 instruction.

3
4 (e) The Agency may revoke approval of a school's program of instruction at any time
5 the Agency finds cause. For purposes of this subsection, cause includes, but is not
6 limited to:

7
8 (1) any statement contained in the application for the program of instruction
9 approval which is untrue;

10
11 (2) the school's failure to maintain the instructors, facilities, equipment, or
12 programs of instruction, or program of instruction outcomes on the basis of
13 which approval was issued;

14
15 (3) advertising made on behalf of the school which is false, misleading, or
16 deceptive, including those that use the words commonly associated with a
17 degree other than those approved by the Coordinating Board;

18
19 (4) programs of instruction without clearly stated limited transferability if there are
20 no articulation agreements with other postsecondary institutions in the same
21 geographic area;

22
23 (5) programs of instruction for which financial aid is advertised but is not
24 available;

25
26 (6) repeated violations by the school that negatively impact the quality of a
27 particular program of instruction; or

28
29 (7) violations by the school of any applicable provision of the Act or this chapter.

30
31 (f) A school whose program of instruction approval is denied or revoked shall have the
32 right to appeal. The Agency will conduct hearings in accordance with Agency
33 policies and procedures applicable to the appeal.
34

35 **SUBCHAPTER I. APPLICATION FEES AND OTHER CHARGES**

36 **§807.151. Fee Schedule.**

37
38 The Agency shall collect fees according to the following schedule.

39
40 (1) The initial fee for a certificate of approval for a small school is \$1,001.

41
42 (2) The initial fee for any other school is \$3,000.

43
44 (3) In the event of a change in ownership of the school, the new owner shall pay
45 the same fee as that charged for an initial fee for a school.
46

- 1
2 (4) The initial registration fee for a representative is \$90.
3
4 (5) The annual registration renewal fee for a representative is \$45.
5
6 (6) The fee for a change of name of the school or owner is \$150.
7
8 (7) The fee for a change of address of a school is \$270.
9
10 (8) The application fee for an additional program is \$225.
11
12 (9) The application fee for an additional seminar is \$35.
13
14 (10) The application fee for a school director or instructor is \$20.
15
16 (11) The fee for an inspection of classroom facilities that are separate from the main
17 campus is \$375.
18
19 (12) The fee for an on-site investigation of a complaint against a school is \$600, if
20 assessed.
21

22 **§807.152. Renewal Fees.**

- 23
24 (a) For small schools, if a certificate of approval is issued for three years , the renewal
25 fee is \$1,001, which may be paid with \$501 the first year and \$250 on the
26 anniversary date of the certificate for each subsequent year.
27
28 (b) For all other schools, the renewal fee is based on the gross amount minus refunds of
29 annual student tuition and fees. The Commission will establish the renewal fee on an
30 annual basis, based upon the cost of administration of the chapter. The renewal fee
31 will be set in accordance with the provisions of §132.201 of the Act.
32
33 (c) For all schools, the Agency shall assess a late renewal fee of 10 percent of the renewal
34 fee, not less than \$200, if the school fails to file a complete application for renewal at
35 least 30 days before the expiration date of the certificate of approval.
36

37 **§807.153. Installment Payments.**

- 38
39 (a) With the exception of the renewal installment schedule for small schools, a school
40 may elect to pay any single fee in excess of \$1,000 by quarterly installment. A
41 service charge of 10 percent of the fee shall be added, and the total divided into equal
42 quarterly installment payments. The first payment shall be due on the date the fee is
43 due. The successive payments shall be due in 90-day increments.
44
45 (b) Failure to pay any installment by the due date may result in one or more of the
46 following:

- 1
2 (1) a penalty being assessed in the amount of 50 percent of the total amount of the
3 fee;
4
5 (2) full payment of the penalty and outstanding balance due within 30 days; or
6
7 (3) revocation of the school's certificate of approval.
8
9 (c) For a small school that has a multiyear term, if the appropriate payment is not
10 received by the anniversary date of the certificate of approval, the school shall, in
11 addition to the required fee, pay a penalty of \$200 within 20 days or the school's
12 certificate of approval may be revoked.
13

14 **SUBCHAPTER J. ADVERTISING**

15 **807.171. General Information for Advertising.**

- 16
17
18 (a) A school shall not make deceptive or misleading statements in attempting to enroll
19 students.
20
21 (b) The Agency may require a school to furnish proof to the Agency of any of its
22 advertising claims, when requested.
23

24 **§807.172. Advertisement Method.**

- 25
26 (a) A school may advertise for prospective students under "instruction," "education,"
27 "training," or a similarly titled classification.
28
29 (b) A school shall not be advertised under any "help wanted," "employment," or similar
30 classification.
31
32 (c) No school advertisements shall use the word "wanted," "help wanted," or "trainee,"
33 either in the headline or the body of the advertisement, nor shall any advertisement
34 indicate, in any manner, that the school has or knows of employment of any nature
35 available to prospective students; only "placement assistance," if offered, may be
36 advertised.
37
38 (d) A school shall not use terms to describe the significance of the approval that specify
39 or connote greater approval. Terms that schools may not use to connote greater
40 approval by the Agency include, but are not limited to, "accredited," "supervised,"
41 "endorsed," and "recommended." A school shall not use the words "guarantee,"
42 "guaranteed," or "free" unless approved in writing by the Agency.
43
44 (e) Any advertisement that includes a reference to awarding of credit hours shall include
45 the statement, "limited transferability." Where a school has an arrangement with a

1 college or university to accept transfer hours, such information may be advertised,
2 but any limitations shall be included in the advertisement.

3
4 **§807.173. Advertisement Content and Monitoring.**
5

- 6 (a) Advertisement content shall include, and clearly indicate, the full and correct name
7 of the school and its address, including city, as they appear on the certificate of
8 approval.
9
- 10 (b) Advertisements shall not include:
11
- 12 (1) statements that the school or its programs are accredited unless the
13 accreditation is that of an agency recognized by the United States Department
14 of Education;
 - 15
 - 16 (2) statements that the school or its courses of instruction have been approved
17 unless the approval can be substantiated by an appropriate certificate of
18 approval issued by an agency of the state or federal government; or
19
 - 20 (3) representation of the school as an employment agency under the same name, or
21 a confusingly similar name, or at the same location of the school.
22
- 23 (c) A school holding a franchise to offer specialized programs or classes not available to
24 other schools shall not advertise such programs in such a manner as to diminish the
25 value and scope of programs offered by other schools not holding such a franchise.
26 Advertising of special classes or programs offered under a franchise shall be limited
27 to the classes or programs offered.
28
- 29 (d) A school shall not use endorsements, commendations, or recommendations by
30 students in favor of a school except with the consent of the student and without any
31 offer of financial or other material compensation. Endorsements shall bear the
32 student's legal or professional name. A school may abbreviate the student's name if
33 requested by the student. The school shall maintain a written record of the
34 endorsement, including the full legal name and contact information for the student,
35 associated with any advertisements referenced in this section.
36
- 37 (e) A school shall not use a photograph, cut, engraving, illustration or graphic in
38 advertising in such a manner as to:
39
- 40 (1) convey a false impression of size, importance, or location of the school,
41 equipment, or facilities associated with the school, or
42
 - 43 (2) circumvent any of the requirements of this chapter regarding written or oral
44 statements.
45

- 1 (f) Every advertisement must clearly indicate that training is being offered, and shall
2 not, either by actual statement, omission, or intimation, imply that prospective
3 employees are being sought.
4
- 5 (g) The Agency may order corrective action to counteract the effect of advertising in
6 violation of the Act or this chapter, including:
7
- 8 (1) retraction by the school of such advertising claims published in the same
9 manner as the claims themselves;
 - 10 (2) a prohibition against the use of an automatic forwarding message; and
 - 11 (3) submission of all advertisements to the Agency for pre-approval at least 30
12 days before proposed submission of the advertisements to the advertising
13 medium.
14
15

16
17 **§807.175. Catalog.**

- 18 (a) The catalog shall include the following:
19
- 20 (1) table of contents or index;
 - 21 (2) name and complete street address of the school;
 - 22 (3) volume number, date of publication, and effective dates;
 - 23 (4) history of any accreditations or approvals, including statement of approval and
24 regulation by the Agency;
 - 25 (5) description of space, facilities, and equipment;
 - 26 (6) list of all trustees, directors, officers of the corporation, and owners;
 - 27 (7) list of management staff and faculty, including education relating to the areas
28 of instruction;
 - 29 (8) tuition, fees, other charges, and applicable scholarship terms;
 - 30 (9) school calendar;
 - 31 (10) school hours of operation and class schedule, including the amount of time
32 allocated for breaks and mealtimes;
 - 33 (11) policies regarding enrollment, including entrance requirements, previous
34 education credit, cancellation and refund, progress, attendance, leave of
35 absence, and conduct;
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2 (12) refund policy as required by the United States Department of Veterans Affairs,
3 if applicable;
4
5 (13) description of programs, including the number of course time hours of a
6 seminar, class or course, lecture, lab, and externship, as well as credit hours in
7 each class or course, if applicable;
8
9 (14) description of each subject;
10
11 (15) description of the grading policy, including requirements for graduation;
12
13 (16) description of placement assistance, if available;
14
15 (17) statement of policies regarding grievances; and
16
17 (18) a statement signed by the owner or director indicating that all of the
18 information contained in the catalog is true and correct.
19
20 (b) Any courses defined as self-paced shall be noted as such in the catalog.
21
22 (c) In addition to the information contained in subsections (a) and (b) of this section, the
23 catalog for a school that charges tuition and fees for a residence program or a
24 synchronous distance education course based on more than one academic term shall
25 also include a complete description of the following:
26
27 (1) the number of periods of time and the course time scheduled in each term;
28
29 (2) the amount of tuition charged for each term;
30
31 (3) the type and amount of fees charged for each term; and
32
33 (4) any other charges for each term.
34
35 (d) All changes to the catalog shall be disclosed to the Agency, using forms provided by
36 the Agency. Failure to disclose changes may result in sanctions.
37

38 **SUBCHAPTER K. ADMISSION**

39 **§807.191. General Information for Admission.**

- 40
41
42 (a) The Agency may approve specific admission requirements for seminars and small
43 schools.
44

- 1 (b) Programs with course time of 40 hours or less, individual class offerings, and
2 seminars are not required to grant credit for previous education and training, unless
3 the course type is listed in the military service course credit directory.
4
- 5 (c) The school shall make appropriate adjustments to the program length and price
6 based upon credit granted for previous education and training, where warranted.
7
- 8 (d) For a school having specific term-beginning dates, a school may not start students
9 after the third day of classes during any given term, except in those cases where
10 appropriate credit for previous education and training has been given according to
11 the Act and this chapter.
12
- 13 (e) A continuously enrolled student has the right to graduate under the academic
14 requirements stated in the catalog in effect at the time of the student's enrollment.
15

16 **§807.192. Admission Requirements.**

- 17 (a) The school shall require for admission into its programs proof of one of the
18 following:
19
 - 20 (1) secondary education;
 - 21
 - 22 (2) successful completion or the equivalent of one full-time academic semester (12
23 academic semester hours) or academic quarter (18 academic quarter hours) at
24 an accredited college, university, or other postsecondary school; or
25
 - 26 (3) for nondegree programs only, proven ability-to-benefit by obtaining a
27 satisfactory score on the approved entrance test.
28
- 29 (b) Entrance test requirements shall be in accordance with the following provisions.
30
 - 31 (1) Any entrance test shall be a nationally recognized standardized test or a
32 nonstandardized test developed by the appropriate industry and approved by
33 the Agency. A nonstandardized test shall be validated by a qualified third
34 party, such as an expert in tests and measurements, for both appropriateness
35 and the specific score level required for admission into the program. The name
36 of the test and its publisher, any time limitations, a minimum acceptable score,
37 and an explanation of score meanings, as referenced in the test material, shall
38 be provided to the student prior to taking the test.
39
 - 40 (2) If multiple opportunities are allowed for retaking the same entrance test, such
41 students shall wait a minimum of five calendar days prior to retaking the test.
42 A student may take a second entrance test on the same day provided a
43 substantially different test is administered. This shall be stated in the
44 admissions policy published in the school catalog.
45
 - 46

- 1 (3) A representative is not allowed to administer the test, nor is anyone allowed to
2 assist the student in answering the questions.
3
- 4 (4) If the entrance test reveals the student to be ineligible as an ability-to-benefit
5 student, the student may be enrolled as a remedial student. The school shall
6 have an evaluation procedure approved by the Agency to determine remedial
7 needs and to determine when the required level of remediation has been
8 reached. The school shall also have a remediation plan for such students
9 consisting of classes approved by the Agency as a part of the program. The
10 students may be charged for the remedial portion of the program on an hourly
11 pro rata basis, but the student is not obligated for the tuition and fees of the
12 program until the entrance requirements are met.
13
- 14 (c) Evidence shall be maintained in each student's file to show the admissions
15 requirements have been met. A full refund of all monies paid and a full release from
16 all obligations may be due, as determined by the Agency, to any student for whom
17 the school cannot establish that the admission requirements were met.
18

19 **§807.193. Receipt of Enrollment Policies.**
20

- 21 (a) For all enrollments, each school shall use the form provided by the Agency to verify
22 the prospective student's receipt of the information required in this section.
23
- 24 (b) Unless otherwise required in this chapter, prior to enrollment the school shall furnish
25 the following to each prospective student:
26
- 27 (1) a school catalog, unless the prospective student enrolls in a seminar;
 - 28 (2) a schedule of tuition, fees, and other charges;
 - 29 (3) the cancellation and refund policy;
 - 30 (4) the progress and grievance policies and, for non-Title IV schools, attendance
31 policies;
 - 32 (5) the rules of operation and conduct;
 - 33 (6) if available, the average starting salary per pay period and annually for the
34 prospective student's stated occupation, and information regarding the number
35 of job openings in the program objective field in a specified area within the last
36 calendar year, including the name of the information source;
 - 37 (7) the regulations pertaining to incomplete grades;
 - 38 (8) written and verbal information regarding loans and grants and their
39 differences, if the school participates in a loan or grant program;
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- (9) the requirements, if any, for any state or national licensing, certifications, or registrations;
 - (10) the exam passage rates for programs that prepare students for state licensing, certification, or registration exams;
 - (11) the job placement and employment data for the stated occupation as required in this chapter; and
 - (12) notice of all policies related to program interruption prior to completion and written information informing the student that if the student withdraws, it is the student's responsibility to inform the school or college.
- (c) Any school that refers to the awarding of credit hours shall explain to each student during the enrollment process that transferability of such hours may be limited. Each student shall sign a statement indicating such an explanation has been provided.
 - (d) Should a school have an articulation agreement with an accredited college or university, or other postsecondary school, such information shall be provided to the student, including any known agreement limitations. Such schools shall also provide a list of known Texas postsecondary schools that accept any or all of the credit hours so earned.
 - (e) Students shall acknowledge receipt of each piece of information or documentation as set forth in this section by initialing each page and providing a complete signature at the end of the receipt of the enrollment policy form.
 - (f) A copy of the receipt of the enrollment policies form shall be given to the student and a copy maintained as a part of the student's files.

§807.194. Enrollment Agreement.

- (a) For distance education schools, the enrollment agreement shall specify the amount of time allotted to the student to complete the program.
- (b) A school shall submit an enrollment agreement to the Agency for approval.
- (c) A school shall use only an approved enrollment agreement to enroll students.
- (d) The executed enrollment agreement shall include, but is not limited to, the following:
 - (1) full and correct name and location of the school;

- 1 (2) program title, tuition, fees, reasonable estimate cost of books and supplies, any
2 other expenses, total cost of the program, items subject to cost change, method
3 of payment and payment schedule, disclosure statement if interest is charged
4 on more than three payments, and detachable buyer's right to cancel if
5 enrollment is procured off campus;
6
7 (3) date training is to begin and program length;
8
9 (4) name, address, and signature of the student;
10
11 (5) student's email address if any part of the instruction or academically related
12 activity is web based;
13
14 (6) statement by the school that the student will receive a copy of the school
15 enrollment agreement and catalog at the time of signing by the student;
16
17 (7) cancellation and refund policy; and
18
19 (8) a Federal Trade Commission statement for holder in due course, unless no
20 loans, grants, or installment payments are involved.
21
22 (e) The school shall provide a notice of cancellation, attached to the enrollment
23 agreement, for any student enrolled off the school premises. The notice shall:
24
25 (1) include at least two copies;
26
27 (2) be easily detachable;
28
29 (3) be printed in boldface type, with a minimum font of 10 point;
30
31 (4) contain the date of the enrollment agreement, name and address of school,
32 the date on which the statutory 72-hour cancellation privilege will expire,
33 and any other provisions as determined by the Agency;
34
35 (5) be printed in the same language as used in the enrollment agreement; and
36
37 (6) be in such a form that can be used by the student to notify the school of
38 the student's desire to cancel by dating, signing, and mailing or otherwise
39 delivering the form to the school's address shown.
40
41 (f) A copy of the enrollment agreement form shall be given to the student and a copy
42 maintained as a part of the student's file.
43
44
45

46 **§807.196. Tuition and Fees.**

- 1
2 (a) A school shall disclose to potential students all tuition, fees, and other charges, and
3 state such information in the school's application for a certificate of approval. The
4 school may not use an estimated tuition amount, nor may the school increase the
5 student's tuition if the student remains continuously enrolled and completes the
6 training as approved at the time of admission. If the school charges to repeat courses,
7 the amount of the charges must be disclosed to the student.
8
9 (b) A school shall make available for review by the Agency upon request:
10
11 (1) a description of the methods of payment that are available to enrolling
12 students;
13
14 (2) the names and addresses of lending institutions used by the school for student
15 tuition loans; and
16
17 (3) the true annual percentage rate and any other fees or charges associated with
18 student tuition loans.
19
20 (c) A school shall refund or forfeit any tuition, fees, or other charges not previously
21 disclosed to the Agency.
22
23 (d) A school may offer scholarships providing the terms of scholarships are disclosed to
24 the Agency.
25
26 (e) The school shall maintain, in a permanent format that is acceptable and readily
27 accessible to the Agency, a record of any funds received from, or on behalf of, the
28 student. A school shall clearly identify the payor, the type of funding, and the reason
29 for the charges. These records shall be posted and kept current.
30
31 (f) A school shall issue written receipts of any charges or payments to the student and
32 maintain such records for review upon request by the Agency. Each separately
33 charged item shall be clearly itemized on a student-signed receipt.
34

35 **§807.197. Admission Requirements for Degree Granting Schools.**
36

- 37 (a) Students who transfer from other postsecondary schools shall complete at least 20
38 academic semester hours or 30 academic quarter hours in residency at the school that
39 will grant the degree. This does not apply to transfers within the same school system
40 or teach-outs approved by the Agency.
41
42 (b) A school shall allow students attending at the time a school becomes a degree
43 granting school to earn a degree, providing the student:
44
45 (1) meets all the prerequisites for acceptance into the degree program; and
46

1 (2) satisfactorily completes all courses or equivalent courses of the degree
2 program.

3
4 (c) Former students shall meet all the prerequisites for acceptance into the degree
5 program and shall satisfactorily complete all courses or equivalent courses in the
6 approved degree program to qualify for a degree.
7

8 **SUBCHAPTER L. PROGRESS STANDARDS**

9 **§807.221. General Requirements for Progress Standards.**

- 10
11 (a) The Agency may approve specific progress standards for self-paced, competency-
12 based programs.
13
14 (b) Seminars, because of their nature and duration, are not required to have progress
15 standards.
16
17 (c) The progress evaluation records shall be of the type and nature to reflect whether the
18 student is making satisfactory progress to the point of being able to complete all
19 subject matter within the allotted time provided in the course curriculum.
20
21 (d) The school shall submit its policies pertaining to incomplete grades to the Agency
22 for approval and publish those policies in the school's catalog. The policies shall
23 address the possibility of the classes being discontinued when the student returns and
24 clarify options available to that student pursuant to the Act.
25
26 (e) Approved court reporting program students may receive one grade of "IP" (in
27 progress) in any speedbuilding class if they have not achieved the required speed at
28 the end of the grading period.
29
30

31 **§807.223. Progress Requirements for Asynchronous Distance Education Schools.**

- 32
33 (a) Asynchronous distance education schools shall evaluate progress as the school
34 receives each lesson assignment. The school shall maintain the record of progress on
35 forms approved by the Agency. Forms shall include:
36
37 (1) the date course materials are mailed to the student;
38
39 (2) the date the lesson assignment is received from the student;
40
41 (3) the grade on a per-lesson basis;
42
43 (4) the instructor's name;
44
45 (5) the date graded assignments are returned to the student; and
46

1 (6) the final grade for the program with completion date indicated.

2
3 (b) If at the end of the time period specified in the enrollment agreement, the student has
4 not completed the program, the student's enrollment shall be terminated.

5
6 **§807.224. Progress Requirements for Degree Granting Schools.**

7
8 For a school offering degree programs, the progress standards shall include the following:

- 9
10 (1) a student progress evaluation every academic semester, academic quarter, or at
11 least every eight weeks in other academic term programs;
12
13 (2) a minimum grade point average for graduation from all degree programs of 2.0
14 based on a 4.0 scale, and that a student achieves a passing grade in all required
15 courses;
16
17 (3) a probationary period of one academic semester, academic quarter, or
18 approved grading period following the end of the academic semester, academic
19 quarter, or approved grading period in which the student's grades become
20 unsatisfactory; and
21
22 (4) provisions for termination at the end of not more than two consecutive
23 probationary periods if the student's cumulative grade point average does not
24 improve to the level required for graduation.
25

26 **SUBCHAPTER M. ATTENDANCE STANDARDS**

27
28 **§807.241. General Requirements for Attendance.**

- 29
30 (a) Seminar programs that begin and end on the same day are not required to maintain
31 an attendance policy.
32
33 (b) Title IV schools are not required to take attendance.
34
35 (c) The Agency may approve specific attendance requirements for self-paced,
36 competency-based programs.
37
38 (d) No provision in this subchapter shall require a school to terminate the enrollment of
39 a student for lack of attendance at a point at which a refund would not be due.
40
41 (e) A school shall charge for a full day of absence when the student fails to attend all of
42 the scheduled classes on that day. The school shall charge for a partial day of
43 absence for any period of absence during the day.
44
45 (f) A school shall not consider school holidays, such as summer vacation and Christmas
46 holidays, and so forth, as days of absence.

1
2 **§807.242. Attendance Requirements for Degree Granting Schools.**
3

- 4 (a) The following requirements are for non-Title IV schools and Title IV schools that
5 voluntarily take attendance.
6
- 7 (b) For a school offering degree programs, the attendance standards shall include the
8 following:
9
- 10 (1) provisions for termination or probation during the next academic quarter,
11 academic semester, or approved term when a student is absent for more than
12 20 percent of the scheduled course time hours during an academic quarter,
13 academic semester, or approved term;
14
- 15 (2) provisions for termination when a student is absent for more than 20 percent of
16 the scheduled course time hours during the probationary academic quarter,
17 academic semester, or approved term; and
18
- 19 (3) provisions for termination prior to the last quarter, when a student is absent in
20 excess of 10 consecutive school days or 20 percent of the total course time hours
21 in the course, whichever occurs first.
22

23 **§807.243. Termination of Enrollment.**
24

- 25 (a) A school shall terminate the enrollment of a student who accumulates the lesser of
26 the following amounts of absences:
27
- 28 (1) more than 10 consecutive school days;
29
- 30 (2) more than 20 percent of the total course time hours in a program with course
31 time of more than 200 hours;
32
- 33 (3) more than 25 percent of the total course time hours in a program or individual
34 course with course time of 41 to 200 hours;
35
- 36 (4) more than 25 percent of the total course time hours for seminars, individual
37 courses, or programs with course time of 40 hours or less; or
38
- 39 (5) any number of days if the student fails to return as scheduled from an approved
40 leave of absence.
41
- 42 (b) A Title IV school that does not voluntarily take attendance shall terminate the
43 enrollment of a student if the student's participation in an academically related
44 activity cannot be documented:
45
- 46 (1) at the end of the first calendar week of the academic term;

- (2) at the end of the first four calendar weeks of the academic term;
- (3) at the midpoint of each academic term; and
- (4) at the end of each academic term.

(c) Students whose enrollments are terminated for violation of the attendance policy may not reenroll before the start of the next progress evaluation period. This provision does not circumvent the approved refund policy.

§807.244. Make-up Work.

- (a) No more than 5 percent of the total course time hours for a program, rounded down to the closest one-half hour increment, may be made up. Attendance course time hours, for purposes of Subchapters M - O of this chapter, may not be made up.
- (b) The school shall submit make-up work policies to the Agency for approval.
- (c) Make-up work shall:
 - (1) be supervised by an instructor approved for the class being made up;
 - (2) require the student to demonstrate substantially the same level of knowledge or competence expected of a student who attended the scheduled class session;
 - (3) be completed within two weeks of the end of the grading period during which the absence occurred;
 - (4) be documented by the school as being completed, recording the date, time, duration of the make-up session, and the name of the supervising instructor; and
 - (5) be signed and dated by the student to acknowledge the make-up session.

§807.245. Leaves of Absence.

- (a) Seminars, programs, and individual subjects with course times of 40 hours or fewer shall not grant leaves of absence.
- (b) A school director may grant a leave of absence after determining that good cause is shown.

- 1 (c) Except as provided in subsection (d) of this section, in a 12-month period, a student
2 may have no more than two leaves of absence. For a program with course time of
3 200 hours or less, a student may be on leave of absence for a total of 30 calendar
4 days. For programs with course time of more than 200 hours, a student may be on
5 leave of absence for a total of 60 calendar days.
6
- 7 (d) Programs with a course time of more than 600 hours, and that are eligible for Title
8 IV funding, may have a leave of absence policy consistent with the United States
9 Department of Education policy at 34 Code of Federal Regulations §668.22(d).
10
- 11 (e) School attendance records shall clearly define the dates of the leave of absence. A
12 written statement as to why the leave of absence was granted, signed by both the
13 student and the school director indicating approval, shall be placed in the student's
14 permanent file.
15
- 16 (f) In addition to the requirements concerning leaves of absence in this subchapter, a
17 school offering degree programs that schedules their courses on an academic quarter
18 or academic semester basis may include in their attendance policies provisions for
19 summer leaves of absence. These leaves of absence shall not exceed the lesser of 120
20 days or the interval between the end of the spring academic quarter or academic
21 semester and the start of the fall academic quarter or academic semester.
22

23 **SUBCHAPTER N. CANCELLATION AND REFUND POLICY**

24 **§807.261. Requirement for Tour.**

- 25
- 26
- 27 (a) Schools are required to provide a tour on or before the first scheduled class day.
28
- 29 (b) Notwithstanding subsection (a) of this section, distance education programs and
30 seminars are not required to provide the student a tour.
31
- 32 (c) Students enrolled in a hybrid or blended program are required to be provided a tour
33 on or before the first scheduled class day.
34
- 35 (d) The student shall sign and date an acknowledgement form certifying the completion
36 of the tour.
37

38 **§807.263. Refund Requirements.**

- 39
- 40 (a) The Agency, after considering the specific facts associated with a school's conduct,
41 may order a full or partial refund to affected students if the school:
42
- 43 (1) does not provide a class with:
44
- 45 (A) an approved instructor;
46

- 1 (B) an instructor for whom an application has been properly submitted to the
2 Agency; or
3
- 4 (C) a temporary instructor for whom the school submitted notice to the
5 Agency;
6
- 7 (2) fails to maintain the instructors, facilities, equipment, or courses of instruction
8 on the basis of which Agency approval was issued or student enrollment was
9 obtained, or to submit timely requests for approval of substantive changes
10 thereto;
11
- 12 (3) violates any provision of this chapter in the process of soliciting and enrolling
13 the student;
14
- 15 (4) fails to adhere to applicable academic, attendance, and refund policies that
16 meet state requirements and apply to the course enrolled in, as published at the
17 time of the student's enrollment in the course;
18
- 19 (5) fails to undertake a good faith effort to furnish the student, upon satisfactory
20 completion of the program, with a certificate of completion. A school may
21 withhold the transcript or certificate until the student has paid outstanding
22 financial obligations to the school. Evidence of a good faith effort shall be
23 maintained in the student's file in one of the following forms:
24
- 25 (A) An acknowledgement of receipt of certificate signed and dated by the
26 student;
27
- 28 (B) Proof of a certified mailing to the student's last known address;
29
- 30 (C) Proof of a certified mailing to the student's permanent address, if
31 different from the student's last known address; or
32
- 33 (D) Proof of a certified mailing to the address of the student's parent or legal
34 guardian, if known and different from the student's last known or
35 permanent addresses; or
36
- 37 (6) does not have course approval or the required certificate of approval from the
38 Agency.
39
- 40 (b) To be considered a violation subject to refund under subsection (a)(1) - (6) of this
41 section, a school's action shall be determined to be more than a technical error or a
42 nonsubstantive change in operations.
43
- 44 (c) If any of the violations in subsection (a)(1) - (6) of this section apply to more than
45 one class period, students are entitled to a full refund for each such class attended.
46

- 1 (d) The length of a program, for purposes of calculating refunds owed, is the shortest
2 scheduled time period in which the program may be completed by continuous
3 attendance of a full-time student.
4
- 5 (e) A non-Title IV school, or a Title IV school voluntarily taking attendance, shall
6 calculate refunds for students based upon scheduled hours of classes through the last
7 date of attendance. A Title IV school shall calculate refunds for students based upon
8 scheduled hours of classes through the last documented day of an academically
9 related activity. Neither type of school shall count leaves of absence, suspensions,
10 school holidays, days when classes are not offered, and summer vacations for
11 purposes of calculating a student's refund.
12
- 13 (f) For all programs other than seminars, a student may cancel enrollment, request a full
14 refund, and request a release from any obligations to the school within the first three
15 scheduled class days.
16
- 17 (g) A school may withhold from the refund required by subsections (a) - (c) and (f) of
18 this section any amount as retainable by the school pursuant to §132.061 of the Act.
19 More specifically, the school may withhold items of extra expense to the student
20 referenced in §132.061(b)(6) of the Act, as long as they are necessary for the portion
21 of the program attended and are separately stated in the enrollment agreement. Any
22 items of extra expense not required for the portion of the program attended must be
23 included in the refund.
24
- 25 (h) Students are entitled to a refund paid in accordance with the school's policy, which
26 must provide for refunds at least equivalent to the provisions in §132.061 and
27 §132.0611 of the Act, if students withdraw or are discontinued from a program prior
28 to completion.
29

30 **SUBCHAPTER O. RECORDS**

31 **§807.281. General Information for Records.**

- 32 (a) A school shall permanently maintain a master student registration list (MSRL). If the
33 school maintains the MSRL in electronic form, the school must be able to produce a
34 printed copy immediately upon request. The MSRL must contain at least the
35 following information:
36
37 (1) date of applicable entry;
38
39 (2) name of student;
40
41 (3) address of student including city, state, and zip code;
42
43 (4) telephone number;
44
45
46

1 (5) social security number;

2
3 (6) date of birth; and

4
5 (7) name of program.

6
7 (b) A school shall maintain current records and necessary data (physical or electronic)
8 for each student required to be on the master student registration list to show
9 compliance with the Act and this chapter. These records shall be:

10
11 (1) maintained on-site;

12
13 (2) protected against damage, loss (for example, fire, water, theft, tampering), or
14 misuse; and

15
16 (3) made available to the Agency for inspection upon request.

17
18 (c) If applicable, the school shall maintain and ensure that copies of the accreditation
19 authorization and letter of eligibility from the United States Department of Education
20 are available for Agency review.

21
22 (d) Degree granting schools shall maintain a copy of the certificate of authorization
23 from the Coordinating Board for each authorized degree program.

24
25 (e) The Agency may conduct unannounced compliance inspections.

26
27 (f) A school shall maintain complete records of all advertising, sales, and enrollment
28 materials used by or on behalf of the school for a five-year period. Materials
29 maintained shall include, but not be limited to, direct mail pieces, brochures, printed
30 literature, films, leaflets, handbills, fliers, video and audiotapes disseminated through
31 the broadcast media, materials disseminated through the print media or Internet, and
32 sales and recruitment manuals used to instruct sales personnel.

33
34 **§807.282. Student Information and Records.**

35
36 (a) A school shall permanently maintain student transcripts of academic records. A
37 school shall provide such transcripts to students and prospective employers at a
38 reasonable charge if the student has fulfilled the financial obligation to the school
39 and is neither in default nor owes a refund to any federal or state student financial aid
40 program.

41
42 (b) Transcripts of academic records, student payment ledgers, and enrollment
43 agreements must be maintained in electronic format or converted to electronic format
44 within 12 months of their creation or revision. A scanned copy of original paper
45 transcripts is an acceptable electronic format for transcripts of academic records.

- 1 (c) A school shall retain financial records in accordance with federal retention
2 requirements.
- 3
- 4 (d) A school shall retain all student records for at least a five-year period and these
5 records shall include:
- 6
- 7 (1) a written record of previous education and training on a form provided by the
8 Agency; and
- 9
- 10 (2) official transcripts from all previous postsecondary schools attended by the
11 student.
- 12
- 13 (e) The school director shall implement and maintain reasonable procedures, including
14 taking any appropriate corrective action, to protect from improper use or disclosure
15 of any sensitive personal information collected or maintained by the school.
- 16
- 17 (f) A school shall destroy or arrange for the destruction of sensitive personal
18 information within the school's custody or control, after any required retention
19 periods, by:
- 20
- 21 (1) shredding;
- 22
- 23 (2) permanently removing or deleting electronic records; or
- 24
- 25 (3) otherwise modifying the sensitive personal information in the records to make
26 the information unreadable or indecipherable through any means; or
- 27
- 28 (4) destroying the information in accordance with any other more restrictive law
29 or regulation the school is required to follow.
- 30
- 31 (g) All records created and maintained in languages other than English are subject to
32 translation by the Agency.
- 33

34 **§807.283. Attendance Record Keeping.**

35

- 36 (a) The following requirements are for non-Title IV schools:
- 37
- 38 (1) A school shall maintain a master record of attendance on each student that
39 clearly indicates the name of the program, program begin and end dates, dates
40 of attendance, and the scheduled hours each day.
- 41
- 42 (2) Each instructor shall maintain a record of attendance, which shall record the
43 instructor's name, program name, subject name, date, number of scheduled hours for
44 that date, and the hours of absence. Entries in the record of attendance shall be made
45 in ink or other permanent medium, including other permanent computer records, and
46 shall not be changed.

- 1 (b) Nothing in this chapter prevents a Title IV school from voluntarily using attendance
2 as a manner of fulfilling the requirements of this chapter.
3

4 **§807.284. Reporting.**
5

- 6 (a) Schools shall report to the Agency, as directed, the facts and information about their
7 programs and operations deemed necessary for the proper administration of the Act
8 and any rules adopted under the Act.
9

- 10 (1) The data to be reported by a school shall include:
11

12 (A) student enrollment information for all programs;
13

14 (B) completion, employment, and job placement information for all
15 programs approved for an occupational objective; and
16

17 (C) any other required information.
18

- 19 (2) The school shall submit the required data to the Agency on or before the
20 specified date.
21

- 22 (3) The school shall provide the data in an electronic format prescribed by the
23 Agency unless a different format is approved in writing by the Agency.
24

- 25 (4) When good cause is shown, the Agency may extend the deadline for
26 submission of the data required under this section; however, the extension shall
27 be effective only if authorized in writing.
28

- 29 (5) The Agency may require schools to maintain on file the verifiable
30 documentation supporting the data reported and make it available to the
31 Agency upon request.
32

- 33 (b) The Agency will develop and apply data monitoring and audit protocols for the data
34 reported under subsection (a) of this section, in a manner sufficient to reasonably
35 determine the accuracy of the reported information.
36

- 37 (c) The Agency may impose penalties or sanctions, or both, for failure to submit data
38 under subsection (a) of this section by the due dates required, or for submission of
39 data that is shown to contain inaccuracies.
40

- 41 (d) For any programs not meeting a minimum employment rate, the following graduated
42 corrective actions will be taken:
43

- 44 (1) For a program not meeting the minimum employment rate for the first year, the
45 school will be required to develop and submit a performance improvement plan
46 acceptable to the Agency;

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- (2) For a program not meeting the minimum employment rate for the second consecutive year, but showing improvement of at least 50 percent of the difference between the reported rate and the minimum employment rate of the previous year, the school will be required to reexamine and submit modifications to the performance improvement plan acceptable to the Agency;
 - (3) For a program not meeting the minimum employment rate for the second consecutive year and not showing improvement of at least 50 percent of the difference between the reported rate and the minimum employment rate of the previous year, conditions will be placed on the school's certificate, which include:
 - (A) modification of the performance improvement plan; and
 - (B) suspension of new enrollment of students funded with Local Workforce Development Board-allocated funds in the program; and
 - (4) For a program not meeting the minimum employment rate for the third consecutive year, the Agency will revoke approval of the program.
- (e) The Agency will publish on its website information compiled from:
- (1) data reported under subsection (a) of this section; and
 - (2) any other information collected about schools and programs deemed appropriate and useful to the public, which:
 - (A) assists a person in deciding whether to enroll in a school or in identifying or choosing which postsecondary institution, school, or college to attend; and
 - (B) addresses regulatory compliance and performance of schools.
 - (3) The Agency, to the extent practical, shall present the published information in a manner that is consistent among institutions, schools, and colleges; easy to understand; and accessible to the public.

39 **SUBCHAPTER P. COMPLAINTS**

40
41 **§807.301. School Policy Regarding Complaints.**

42
43 The school shall:

- 44
45 (1) submit a written grievance procedure designed to resolve disputes between
46 current and former students and the school for Agency approval;

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- (2) provide a copy of the grievance procedure to each student and maintain proof of such delivery;
 - (3) maintain records regarding grievance filings and resolutions;
 - (4) diligently work to resolve all complaints at the local school level; and
 - (5) post a visible notice on the school's website and centrally located at or near the school's main entrance; in at least one of the student common areas (for example, the student cafeteria and/or breakroom); in places where student solicitation, financial aid assistance, and enrollment activities take place; and other locations as necessary to respond to problems with career school rule compliance, which states that:
 - (A) the school has a certificate of approval from the Agency, and provides the Agency-assigned school number;
 - (B) the school's programs are approved by the Agency and may also be approved by other state agencies or accrediting bodies, and provides the name of any accrediting body and state agency, as applicable;
 - (C) students who are dissatisfied with the school's response to their complaints can file a formal complaint with the Agency, as well as with the school's accrediting body, if applicable; and
 - (D) additional information on complaint procedures is located on the Agency's Career Schools and Colleges website.

31 **§807.302. Complaints and Investigations.**

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46
- (a) The Agency may investigate or refer to other authorities with jurisdiction to investigate, as appropriate, all complaints received about a school, whether licensed or unlicensed.
 - (b) The Agency may determine the extent of investigation needed by considering various factors, such as:
 - (1) the seriousness of the alleged violation;
 - (2) the source of the complaint;
 - (3) the school's history of compliance and complaints;
 - (4) the timeliness of the complaint;

1
2 (5) the feasibility of investigations; and

3
4 (6) any other reasonable matter deemed appropriate.

5
6 (c) The Agency may require adequate documentation or other evidence of the violation
7 before initiating a complaint investigation. Notwithstanding subsection (a) of this
8 section, anonymous complaints will not be investigated but will be reviewed to
9 identify any action needed.

10
11 (d) Unless good cause is shown, a complaint is timely only if it is filed with the Agency
12 while the student who files the complaint is enrolled or within two years of the date
13 the student withdraws, terminates, or graduates from the course that is the subject of
14 the complaint. Good cause includes, but is not limited to, fraud. If a complaint is not
15 timely, the Agency may decline to investigate it.

16
17 (e) The investigation fee authorized by the Act is based on a per site visit. The school
18 director shall be notified that an on-site visit was conducted when the investigation
19 results in assessment of a fee.

20
21 **SUBCHAPTER Q. TRUCK DRIVER TRAINING PROGRAMS**

22
23 **§807.321. General Information Regarding Truck Driver Training.**

24
25 (a) A school providing truck driver training shall ensure that the truck driver instructors
26 complete a truck driver instructor development course with at least 40 hours of course
27 time.

28
29 (b) All truck driver training programs shall comply with applicable requirements
30 outlined in 49 Code of Federal Regulations Part 380, its successors, and any other
31 applicable legal requirements, and must be listed on the Federal Motor Carrier Safety
32 Administration registry, called the Training Provider Registry.

33
34 **§807.322. Truck Driver Instructor Development Course.**

35
36 (a) A school shall apply to the Agency for approval to provide a truck driver instructor
37 development course.

38
39 (b) The instructor development course shall consist of 40 hours of course time, which
40 includes at least the following topics.

41
42 (1) Five hours shall cover techniques of instruction including: qualities of a
43 competent instructor, the learning process, methods of teaching, development
44 of efficient teaching habits, demonstration teaching, the use of instruction
45 material and training aids, course preparation, lesson plans, testing and
46 evaluation, and the duration and frequency of lessons.

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- (2) Two hours shall cover personality factors affecting the driver and pedestrian including: natural abilities; senses; mind and nerves; bones and muscles; knowledge of vehicle, road, traffic, and self; attitudes and emotions; reaction time; and reactions to alcohol, carbon monoxide, over-the-counter drugs, prescription drugs, illegal drugs, heart ailments, epilepsy, diabetes, insanity, exhaustion, tension, and monotony.
- (3) Six hours shall cover state laws as located in the Texas Motor Vehicle Law book relating to the operation of motor vehicles including: driver's license, vehicle registration, certificate of title, operation of vehicles, uniform act, miscellaneous offenses, and safety responsibility.
- (4) Eight hours shall cover driving procedures including: handling--city, rural, night, mountain, and freeway driving; fog, rain, sandstorms, and other hazardous weather conditions; road hazards and recovery procedures for slick roads; blowout hazards and running off the road; traffic signs, markings, and signals; use of rearview mirrors; vehicle braking and stopping distances; following distances; right-of-way, when and how to yield it; vehicle acceleration and deceleration; yielding right-of-way to emergency vehicles; driver signals; proper passing procedures; procedures and problems for passing on two and three-lane roadways; and super-size motorized equipment.
- (5) Three hours shall cover physical forces affecting the motor vehicle in motion including: forces of gravity; friction; acceleration, mass, and force; inertia and centrifugal force; kinetic energy and momentum; kinetic energy and braking; and horsepower and acceleration.
- (6) Two hours shall cover highway characteristics including: primary, secondary, expressway, freeway, farm or ranch road, two-way two-lane, two-way three-lane, two-way multilane, two-way multilane divided, one-way multilane, parking, and traffic controls. Traffic control topics consist of the following:
 - (A) sign topics including shape, color, location and importance;
 - (B) traffic marking topics including center and lane lines, no passing zone, transition markings, turn lane marking, stop lines, crosswalk lines, and so forth; and
 - (C) signal topics including classification, location, type, timing.
- (7) Two hours shall cover automobile systems and maintenance including: electrical system--generator, alternator, battery, lighting, and electric-powered equipment; cooling system--lubrication and fuel systems; power train--engine, transmission, and differential; brake system--wheels and tires, caster, camber, toe-in, balance, inflation, tire condition, and care; exhaust system; instruments

1 and gauges; compartment adjustments--seat, ventilation, mirrors, headrests,
2 seat belts, and shoulder harness; starting the engine and warm-up procedures;
3 safety devices--door locks, headrests; and miscellaneous features--windshield
4 wipers, heater, and defroster.

- 5
- 6 (8) Two hours shall cover behind-the-wheel elementary lessons with
7 demonstration in an appropriate vehicle and practice to be performed in the
8 presence of the instructor including: starting; steering; stopping; shifting gears;
9 backing; turning--right and left; and parking and starting on grade.
- 10
- 11 (9) Six hours shall cover behind-the-wheel driving safety lessons with
12 demonstration in an appropriate vehicle and practice to be performed in the
13 presence of the instructor including: developing good seeing habits; speed
14 control; safe following; lane driving and lane changing; intersections and right-
15 of-way; proper signaling; correct turn procedures; detecting of and handling
16 problems--vehicle, cycle, pedestrian; freeway driving--ramp use, entering,
17 exiting, lane use, emergency stopping; parking procedures; entering traffic
18 from parked position; and night driving.
- 19
- 20 (10) Two hours shall cover school and instructor approval requirements including
21 the following: school approval requirements, instructor approval requirements,
22 classroom and automotive equipment requirements, required student records,
23 contract requirements, and department of instructors.
- 24
- 25 (11) Two hours shall cover specialized training regarding the following: students
26 with physical, mental, or emotional handicaps; illiterate students; non-English-
27 speaking students; and habitual violators and problem drivers.
- 28

29 **§807.324. Motor Vehicle Insurance.**

30
31 A school providing truck driver training shall ensure that:

- 32
- 33 (1) a current list of vehicles used in truck driver training is filed with the Agency
34 on a form provided by the Agency;
- 35
- 36 (2) an insurance certificate accompanies each motor vehicle used in training and is
37 filed with the Agency on or before the date the school files an original or
38 renewal application for approval of the program with the Agency;
- 39
- 40 (3) an insuring company or carrier issues an insurance certificate on a form
41 furnished by the Agency directly to the Agency, which states the insurance
42 company or carrier has issued a policy or policies of insurance, and the
43 amounts of insurance for each vehicle listed on the list of vehicles used in
44 truck driver training;
- 45

- 1 (4) a written notice is provided to the Agency by registered or certified mail at
2 least 10 days prior to the expiration date of insurance coverage of a listed
3 vehicle; and
4
5 (5) a copy of the written notice of cancellation of insurance on any listed vehicle is
6 provided to the Agency by registered or certified mail immediately upon
7 receipt of notice by the school.
8

9 **§807.325. Prohibited Activities Regarding Truck Driver Training.**

- 10
11 (a) A school, a trainer of truck driver instructors, or a truck driver instructor shall not:
12
13 (1) allow an instructor to give instruction or allow a student to secure instruction
14 in the classroom or in a motor vehicle if that instructor or student is using or
15 exhibits any evidence or effect of an alcoholic beverage, controlled substance,
16 or other such impairment;
17
18 (2) permit a student to operate a motor vehicle without a valid driver's license or
19 instruction permit in the student's possession during behind-the-wheel
20 instruction;
21
22 (3) permit more than a ratio of four students per vehicle and three vehicles per
23 instructor on truck driving ranges;
24
25 (4) permit more than four students per vehicle per instructor during street
26 instruction for truck driver training; or
27
28 (5) advertise or otherwise state or imply that a driver's license or permit is
29 guaranteed or assured to any student or individual who may take or complete
30 any instruction or course of instruction, enroll, or otherwise receive instruction
31 in any truck driver training school.
32
33 (b) The Agency may suspend, revoke, or refuse to renew approval of a truck driver
34 instructor or a trainer of truck driver instructors, upon determining that the applicant
35 or instructor has been:
36
37 (1) convicted under the laws of this state, another state, or the United States of any
38 felony; of an offense of criminally negligent homicide committed as a result of
39 the person's operation of a motor vehicle; of an offense involving driving while
40 intoxicated or under the influence; or of an offense involving tampering with a
41 governmental record; or
42
43 (2) found incompetent or is incompetent to:
44
45 (A) safely operate a motor vehicle; or
46

1 (B) properly conduct classroom or behind-the-wheel instruction.
2

3 **SUBCHAPTER R. CLOSED SCHOOLS**
4

5 **§807.341. School Closures.**
6

- 7 (a) Owners with knowledge of a school's impending closure shall notify the Agency as
8 soon as possible or practical.
9
- 10 (b) Prior to closure a school must:
11
12 (1) contact the Agency regarding a school survey visit and the process required to
13 close out the school records;
14
15 (2) complete any closure documents required by the Agency;
16
17 (3) provide information on any teach out plans or arrangements; and
18
19 (4) complete any other requirements deemed necessary by the Agency for an
20 orderly closure.
21
- 22 (c) The Agency may impose penalties, sanctions, or both on an owner, as defined by
23 §807.2(30) of this chapter, or on a person associated with a school closure for a
24 school's failure to comply with proper closure procedures.
25
- 26 (d) The Agency may declare a school to be closed when:
27
28 (1) written notification is received by the Agency from the school owner stating
29 the school will close;
30
31 (2) Agency determines that the school facility has been vacated without prior
32 notification of a change of address given to the Agency;
33
34 (3) an owner with multiple school locations transfers all students from one school
35 location to another school location;
36
37 (4) the school dismisses all students, contrary to the school's class schedule as
38 printed in the school catalog; or
39
40 (5) the school fails to maintain the faculty, facilities, equipment, or courses of
41 instruction on the basis for which approval was issued.
42
- 43 (e) After the Agency determines that a school will close or is closed, the Agency will
44 attempt to notify students concerning their options to accept a teach-out or to receive
45 a proportional tuition refund based on available funds. Notification to students may
46 include constructive notice in news media, student meetings, or mailings to students.

1
2 (f) Each teach-out requires approval of the Agency to determine whether the course of
3 instruction is available, reasonable, and comparable with the course of instruction of
4 the closed school. The teach-out is subject to the following conditions:
5

6 (1) Transfers of students from a closed school to another school under the same
7 ownership shall not constitute a teach-out.
8

9 (2) In order to be eligible for a teach-out, students shall submit a signed statement
10 of acceptance to the teach-out school by the deadline as established by the
11 Agency.
12

13 (3) The school offering the teach-out shall give credit for all comparable training
14 received at the closed school, as determined by the Agency.

15 **§807.342. Tuition Trust Account.**
16

17 (a) In a year in which the Agency determines it is necessary to charge a fee under
18 §132.2415(b) of the Act, each school shall make a payment to the tuition trust
19 account at the time the school renewal fee is paid.
20

21 (b) The amount in the tuition trust account, as provided in the Act, is an accrued
22 balance. The accrued balance is the cash balance of the tuition trust account less the
23 sum of the accrued liabilities from unpaid student refunds and teach-out claims.
24

25 (c) Disbursements shall be made from the tuition trust account for student refunds and
26 reimbursable teach-out expenses incurred during each 12-month period ending
27 August 31, and shall be:
28

29 (1) made first for student refunds in accordance with §132.2415(d) of the Act and
30 §807.262 of this chapter;
31

32 (2) calculated after refunds or discharges from other funding sources have been
33 determined;
34

35 (3) disbursed to other funding sources from any amount remaining under the
36 limitation of §132.242(e) of the Act; and
37

38 (4) disbursed for reimbursable teach-out expenses based upon remaining funds in
39 the account.
40

41 (d) Following the graduation or termination of the students from the teach-out school,
42 the teach-out school shall determine actual expenses and submit a claim for
43 reimbursement to the Agency on or before the date provided in the application
44 packet. The teach-out school shall:
45

- 1 (1) not claim expenses for facilities, equipment, utilities, or other items which
2 were owned, rented, used, or otherwise obligated by the school prior to the
3 Agency's approval of the teach-out program, even though such items may be
4 used for the teach-out program;
5
- 6 (2) be limited to expenses for tuition and fees that are nonrecoverable from all
7 financial resources, including grants and loans; and
8
- 9 (3) ensure that the sum of the tuition and fees paid to the student's account at the
10 closed school and the teach-out school is the lesser amount the student would
11 have been charged for the complete program at the closed school or the teach-
12 out school.
13

14 **SUBCHAPTER S. SANCTIONS**

15 **§807.351. Notice and Administration of Sanctions.**

- 17 (a) Pursuant to its authority under §132.152 of the Act, the Agency may impose
18 administrative penalties or other sanctions on an entity for violations of §132.151 of
19 the Act or this chapter.
20
- 21 (b) The Agency will serve notice of a sanction, with determination of the violation on
22 which it is based, by both email and certified mail, return receipt requested, mailed to
23 the owner's address of record as listed on the application for certificate of approval.
24 Unless there is other evidence of receipt, notice is presumed received five days from
25 the date it is mailed by the Agency.
26
- 27 (c) In imposing administrative penalties or other sanctions, the Agency may consider all
28 the factors that it deems relevant, including, but not limited to, the following:
29
 - 30 (1) The amount of administrative penalty or level of sanction necessary to ensure
31 immediate and continued compliance with statutes and regulations;
32
 - 33 (2) The conduct of the entity in taking all reasonable steps or procedures necessary
34 and appropriate to comply with statutes and regulations and to correct the
35 violation; and
36
 - 37 (3) The entity's prior violations of statutes, regulations, or orders administered,
38 adopted, or issued by the Agency.
39
- 40 (d) Notwithstanding subsections (a) - (c) of this section, the Agency may order refunds
41 pursuant to applicable statute and rules.
42

43 **§807.352. Sanctions.**

- 44 (a) Sanctions may include:
45
46

- 1
- 2 (1) administrative penalties outlined in §807.353 of this subchapter;
- 3
- 4
- 5 (2) denying the school's application for a certificate of approval;
- 6
- 7 (3) revoking the school's certificate of approval;
- 8
- 9 (4) placing conditions on the school's certificate of approval;
- 10
- 11 (5) suspending the admission of students to the school or a program;
- 12
- 13 (6) denying a program approval;
- 14
- 15 (7) revoking a program approval;
- 16
- 17 (8) disapproving or revoking approval of an owner, school director, instructor, or
- 18 other staff member whose approval may be required;
- 19
- 20 (9) denying, suspending, placing conditions on, or revoking the registration of the
- 21 school's representatives;
- 22
- 23 (10) assessing a late refund penalty;
- 24
- 25 (11) charging the school an investigation fee to resolve a complaint against the
- 26 school;
- 27
- 28 (12) charging the school interest and penalties on late payments of fee installments;
- 29
- 30 (13) applying for an injunction against the school;
- 31
- 32 (14) asking the attorney general to collect a civil penalty from any person who
- 33 violates the Act or this chapter;
- 34
- 35 (15) ordering a peer review of the school; and
- 36
- 37 (16) issuing a cease and desist order to an unlicensed school.
- 38
- 39 (b) Notwithstanding subsection (a)(1) - (16) of this section, the Agency may order
- 40 refunds pursuant to violations of the Act and this chapter.
- 41

42 **§807.353. Administrative Penalties.**

- 43
- 44 (a) An administrative penalty shall not exceed the amount specified in §132.152 of the
- 45 Act for each instance of a violation and shall be assessed in accordance with that
- 46 section.

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- (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.

Figure: 40 TAC §807.353(e)

Violation	First Offense: Penalty	Repeat Offenses: Penalty	Definition of Instance
Failure of a small school transitioning to a large school to notify the Agency of status change, timely apply, or remit increased fees	\$250	NA	Per violation
Failure to disclose to the Agency changes in tuition, fees, or other charges	\$250	Second Offense: \$500 Subsequent Offenses: \$1,000	Per violation
Failure to provide the Agency notice of a change of address prior to permanently vacating the school facility	\$250	Second Offense: \$500 Subsequent Offenses: \$1,000	Per violation
Failure to maintain records demonstrating compliance with requirements of statute or rule	\$250	Second Offense: \$500 Subsequent Offenses: \$1,000	Per record or student record
Failure to properly destroy or arrange for the destruction of sensitive personal information in the school's custody or control	\$250	Second Offense: \$500 Subsequent Offenses: \$1,000	Per student affected

Violation	First Offense: Penalty	Repeat Offenses: Penalty	Definition of Instance
Failure to protect student records against damage, loss, or misuse	\$250	Second Offense: \$500 Subsequent Offenses: \$1,000	Per record or student record
Failure to provide complete and accurate information as required by the Agency	\$250	Second Offense: \$500 Subsequent Offenses: \$1,000	Per violation
Failure to provide an instructor who meets necessary qualifications and whose application was submitted within required time frames	\$250	Second Offense: \$500 Subsequent Offenses: \$1,000	Per instructor, per course
Failure to ensure a staff member has taken required training and been approved by the Agency	\$500	Subsequent Offenses: \$1,000	Per staff member
Failure to provide an instructor who meets necessary qualifications and whose application was submitted within required time frames	\$500	Subsequent Offenses: \$1,000	Per instructor
Failure to make arrangements satisfactory to the Agency for the completion of a discontinued program	\$500	Subsequent Offenses: \$1,000	Per program
Making a false statement in an application to the Agency	\$500	Subsequent Offenses: \$1,000	Per violation
Failure to maintain the instructors, facilities, equipment, or programs and outcomes on the basis of which approval was issued	\$500	Subsequent Offenses: \$1,000	Per program
Failure to disclose limitations on transferability of courses of instruction to a prospective student	\$500	Subsequent Offenses: \$1,000	Per student affected

Violation	First Offense: Penalty	Repeat Offenses: Penalty	Definition of Instance
Advertising that financial aid is available or advertising that financial aid may be available for a program for which it is not available	\$500	Subsequent Offenses: \$1,000	Per student affected
Failure to establish that a student met the approved admission requirements when the student was enrolled	\$750	Subsequent Offenses: \$1,000	Per student affected
Failure to submit the annual program completion, job placement, and employment data required by the Agency by the required due date	\$750	Subsequent Offenses: \$1,000	Per school
Failure to submit annual financial statements no later than 180 days from the close of the school's or college's fiscal year	\$750	Subsequent Offenses: \$1,000	Per school
Transfer of all students from one school location to another school location, by an owner with multiple school locations, without Agency approval	\$750	Subsequent Offenses: \$1,000	Per violation
Dismissal of all students contrary to the school's class schedule as printed in the school catalog for reasons not approved by the Agency	\$750	Subsequent Offenses: \$1,000	Per dismissal event
Failure to notify the Agency in writing of any legal actions or any change in accreditation status or Title IV status	\$750	Subsequent Offenses: \$1,000	Per action
Operating a school without a certificate of approval	\$1,000	Subsequent Offenses: \$1,000	Per school, per program
Teaching a program or revised program that has not been approved by the Agency	\$1,000	Subsequent Offenses: \$1,000	Per program

Violation	First Offense: Penalty	Repeat Offenses: Penalty	Definition of Instance
Using advertising that is false, misleading, or deceptive, including the misrepresentation of degrees other than those approved by the Coordinating Board	\$1,000	Subsequent Offenses: \$1,000	Per student affected
Failure to notify the Agency of the discontinuance of the program or the operation of a school or college within 72 hours of cessation of classes, and to make available accurate records as required	\$1,000	Subsequent Offenses: \$1,000	Per program
Solicitation of a prospective student in violation of statutory and rule requirements	\$1,000	Subsequent Offenses: \$1,000	Per student affected
Any misrepresentation	\$1,000	Subsequent Offenses: \$1,000	Per misrepresentation
Failure to grant appropriate credit, both in time and monetarily, to any student based on the required evaluation of prior experience, education, or training	\$1,000	Subsequent Offenses: \$1,000	Per student affected
Failure to pay any fee or penalty installment by the required due date	50% of the total amount of the fee	50% of the total amount of the fee	Per failure
Paying a refund late	A rate established annually by the Commission	A rate established annually by the Commission	Per refund, per day

1
2 **SUBCHAPTER T. CEASE AND DESIST ORDERS**

3
4 **§807.362. Contents of Statement of Charges and Notice of Hearing.**

5
6 The statement of charges and notice of hearing issued by the Agency will contain the
7 following information:

- 8
9 (1) The name and last known address of the person against whom the order may
10 be entered;

1
2 (2) A short and plain statement of the reasons the Agency believes the person is
3 operating a career school or college without a certificate of approval; and
4

5 (3) The date, time, and location of the hearing.
6

7 **§807.365. Hearing Decision and Final Review by the Agency.**
8

9 (a) Within 10 days after the hearing is held, the hearing officer shall issue a written
10 decision granting or denying the request for the issuance of a cease and desist order
11 that includes findings of fact and conclusions of law. The hearing decision shall be
12 mailed by certified mail, return receipt requested, and is presumed received five days
13 from the date it is mailed. The hearing officer's decision becomes final the 15th day
14 after receipt of the hearing decision unless an appeal is filed under subsection (b) of
15 this section.
16

17 (b) A party that is not satisfied with the decision of the hearing officer may file a written
18 appeal of the decision to the Agency for a final review no later than the 15th day
19 after receipt of the hearing decision. The written appeal shall contain the party's
20 arguments as to why the decision of the hearing officer should be reversed.
21

22 (c) Upon receipt of the written appeal of the hearing officer's decision, the Agency shall
23 consider the appeal and issue a decision promptly. The Agency shall consider the
24 appeal on the basis of the record made before the hearing officer. The decision of the
25 Agency shall be mailed by certified mail, return receipt requested, and is presumed
26 received five days from the date it is mailed.
27

28 **§807.366. Cease and Desist Order.**
29

30 (a) If the request for the issuance of a cease and desist order becomes final under the
31 provisions of §807.365(a) of this subchapter or, if after an appeal the decision under
32 §807.365(c) of this subchapter upholds the issuance of a cease and desist order by
33 the Agency, the hearing officer shall issue a cease and desist order against the person
34 who is found operating a career school or college without a certificate of approval in
35 violation of §132.151 of the Act.
36

37 (b) The cease and desist order shall be delivered by certified mail, return receipt
38 requested, and is presumed received five days from the date it is mailed.
39

40 (c) From the date of receipt of the issuance of the cease and desist order, the person
41 must completely cease and desist operating the career school or college.
42

43 (d) The cease and desist order shall remain in effect until the person comes into complete
44 compliance with the Act as determined by the Agency, or unless otherwise provided
45 by the order of the Agency.
46

1 **SUBCHAPTER U. CAREER SCHOOLS HEARINGS**

2
3 **§807.385. Setting of Hearing.**

- 4
- 5 (a) Upon receipt of request for a hearing, the Agency will promptly mail a notice of
6 hearing that sets the hearing for a reasonable time and place within 30 days from
7 receipt of the request for a hearing.
- 8
- 9 (b) The notice of hearing shall be in writing and include a:
- 10
- 11 (1) statement of the date, time, place, and nature of the hearing;
- 12
- 13 (2) statement of the legal authority under which the hearing is to be held; and
- 14
- 15 (3) short and plain statement of the issues to be considered during the hearing.
- 16
- 17 (c) The notice of hearing shall be issued at least 10 days before the date of the hearing
18 unless a shorter period is permitted by statute.
- 19
- 20 (d) The hearing notice shall state whether the hearing shall be conducted by telephone or
21 in-person. The hearing notice shall also include the location of an in-person hearing.
- 22
- 23 (e) Parties needing special accommodations, including a bilingual or sign language
24 interpreter, may request such before the setting of the hearing, if possible, or as soon
25 as practical.

26
27 **§807.386. Hearing Officer Independence and Impartiality.**

- 28
- 29 (a) A hearing officer presiding over a hearing shall have all powers necessary and
30 appropriate to conduct a full, fair, and impartial hearing. Hearing officers shall
31 remain independent and impartial in all matters regarding the handling of any issues
32 during the pendency of a case and in issuing their written decisions.
- 33
- 34 (b) A hearing officer shall be disqualified if the hearing officer has a personal interest in
35 the outcome of the appeal or if the hearing officer directly or indirectly participated
36 in the determination on appeal. Any party may present facts to the Agency in support
37 of a request to disqualify a hearing officer.
- 38
- 39 (c) The hearing officer may withdraw from a hearing to avoid the appearance of
40 impropriety or partiality.
- 41
- 42 (d) Following any disqualification or withdrawal of a hearing officer, the Agency will
43 assign an alternate hearing officer to the case. The alternate hearing officer shall not
44 be bound by any findings or conclusions made by the disqualified or withdrawn
45 hearing officer.
- 46

1 **§807.387. Hearing Procedures.**
2

- 3 (a) The hearing shall be conducted telephonically, unless an in-person hearing is
4 requested and the hearing officer deems an in-person hearing appropriate or the
5 hearing officer determines that another method of conducting the hearing is
6 appropriate.
7
- 8 (b) The hearing shall be conducted informally and in such a manner as to ascertain the
9 substantive rights of the parties. All issues relevant to the appeal shall be considered
10 and addressed, and may include:
11
- 12 (1) Presentation of Evidence. The parties to an appeal may present evidence that is
13 material and relevant, as determined by the hearing officer. In conducting a
14 hearing, the hearing officer shall actively develop the record on the relevant
15 circumstances and facts to resolve all issues. To be considered as evidence in a
16 decision, any document or physical evidence must be entered as an exhibit at
17 the hearing. A party has the right to object to evidence offered at the hearing
18 by the hearing officer or other parties.
19
- 20 (2) Examination of Parties and Witnesses. After placing the witnesses under oath,
21 the hearing officer shall examine parties and any witnesses and shall allow
22 cross-examination to the extent the hearing officer deems necessary to afford
23 the parties due process.
24
- 25 (3) Additional Evidence. The hearing officer, with or without notice to any of the
26 parties, may take additional evidence as deemed necessary, provided that a
27 party shall be given an opportunity to rebut the evidence if it is to be used
28 against the party's interest.
29
- 30 (4) Appropriate Hearing Behavior. All parties shall conduct themselves in an
31 appropriate manner. The hearing officer may expel any individual or party who
32 fails to correct behavior the hearing officer identifies as disruptive. After
33 expulsion, the hearing officer may proceed with the hearing and render a
34 decision.
35
- 36 (c) Records.
37
- 38 (1) The hearing record shall include the audio recording of the proceeding and any
39 other relevant evidence relied on by the hearing officer, including documents
40 and other physical evidence entered as exhibits.
41
- 42 (2) The hearing record shall be maintained in accordance with federal and state
43 law.
44
- 45 (3) Confidentiality of information contained in the hearing record shall be
46 maintained in accordance with federal and state law.

- 1
2 (4) Upon request, a party has the right to obtain a copy of the hearing record at no
3 charge. However, a party requesting a transcript of the hearing record shall pay
4 the costs of the transcription.
5

6 **§807.395. Finality of Decision.**
7

- 8 (a) The decision of the hearing officer is the final decision of the Agency after the
9 expiration of 30 calendar days from the mailing date of the decision unless within
10 that time:
11
12 (1) a request for reopening is filed with the Agency;
13
14 (2) a request for rehearing is filed with the Agency; or
15
16 (3) the Agency assumes continuing jurisdiction to modify or correct the decision.
17
18 (b) Any decision issued in response to a request for reopening or rehearing or a
19 modification or correction issued by the Agency becomes final on the expiration of
20 30 calendar days from the mailing date of the decision, modification, or correction.