

CHAPTER 76

H.B. No. 934

An Act relating to the regulation of certain private institutions of higher education; providing a penalty.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Section 61.302, Education Code, is amended by amending Subdivision (2) and adding Subdivisions (9) and (10) to read as follows:

(2) "Private institution of higher education" or "institution" means an educational institution which:

(A) is not an institution of higher education as defined by Section 61.003(7) of this code;

(B) is incorporated under the laws of this state, ~~or~~ maintains a place of business in this state, *has a representative present in this state*, or solicits business in this state; and

(C) furnishes or offers to furnish courses of instruction in person, *by electronic media*, or by correspondence leading to a degree or providing credits alleged to be applicable to a degree.

(9) "Educational or training establishment" means an enterprise that would otherwise be a private institution of higher education, except the enterprise does not provide courses or credits alleged to be applicable to a degree.

(10) "Representative" includes a recruiter, agent, tutor, counselor, instructor, and other instructional and support personnel.

SECTION 2. Section 61.303, Education Code, is amended by amending Subsection (a) and adding Subsection (h) to read as follows:

(a) The provisions of this subchapter do not in any way apply to[

~~(1)~~ an institution which[

~~(A)~~ is fully accredited by a recognized accrediting agency, or

~~(B)~~ is a candidate for accreditation by a recognized accrediting agency on the effective date of this Act, so long as the institution maintains candidacy status or subsequently is fully accredited.

~~(2)~~ an institution or degree program that has received approval by a state agency authorizing the institution's graduates to take a professional or vocational state licensing examination administered by that agency. The granting of permission by a state agency to a graduate of an institution to take a licensing examination does not by itself constitute approval of the institution or degree program required for an exemption under this subsection ~~[whose graduates are subject to licensure by an agency of the State of Texas prior to their engaging in professions directly related to their course of study].~~

(h) This subchapter does not apply to a private law school chartered by the secretary of state and in operation on September 1, 1985. This subsection expires September 1, 1988.

SECTION 3. Section 61.304, Education Code, is amended to read as follows:

Sec. 61.304. **REQUISITE AUTHORITY TO GRANT DEGREES AND OFFER COURSES.** *A [After the effective date of this subchapter, no] person may not grant or award a degree on behalf of a private institution of higher education [or enroll students for courses] unless the institution has been issued a certificate of authority to grant the degree by the board in accordance with the provisions of this subchapter. A [No] person may not represent that credits earned or granted by that person or institution are applicable for credit toward a degree to be granted by some other person or institution except under conditions and in a manner specified and approved by the board. The board is empowered to specify and regulate the manner, condition, and language used by an institution or person or agents thereof in making known that the person or institution holds a certificate of authority and the interpretation of the significance of such certificate.*

SECTION 4. Subsection (a), Section 61.305, Education Code, is amended to read as follows:

(a) A private institution of higher education *that has been in operation for not less than two years* may apply to the board for a certificate of authority to grant a degree in a specified program of study on application forms provided by the board.

SECTION 5. Section 61.313, Education Code, is amended to read as follows:

Sec. 61.313. **USE OF THE TERM "COLLEGE" OR "UNIVERSITY".** (a) A [No] person may *not* use the term "college" or "university" in the official name or title of a private institution

of higher education established after the effective date of this subchapter [~~and subject to its provisions~~] unless the institution has been issued a certificate of authority to grant a degree or degrees.

(b) A person may not use the term "college" or "university" in the official name or title of an educational or training establishment.

SECTION 6. Subsection (b), Section 61.317, Education Code, is amended to read as follows:

(b) Any person who establishes a private institution of higher education [after the effective date of this subchapter] and uses the term "college" or "university" in the official name of the institution without first having been issued a certificate of authority to grant degrees for the institution or any person who establishes an educational or training establishment and uses the term "college" or "university" in the official name or title of the establishment is guilty of a misdemeanor and upon conviction is subject to a fine of not less than \$1,000 nor more than \$3,000.

SECTION 7. Subsection (c), Section 61.306, Education Code, is repealed.

SECTION 8. This Act takes effect September 1, 1985.

SECTION 9. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

Passed by the House on March 28, 1985, by a non-record vote; passed by the Senate on April 22, 1985, by a viva-voce vote.

Approved: May 3, 1985

Effective: September 1, 1985