

CHAPTER 807. CAREER SCHOOLS AND COLLEGES

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

ON AUGUST 8, 2006, THE TEXAS WORKFORCE COMMISSION ADOPTED THE BELOW RULES WITH PREAMBLE TO BE SUBMITTED TO THE *TEXAS REGISTER*.

Estimated date of publication in the *Texas Register*: **August 25, 2006**
The rules will take effect: **August 28, 2006**

The Texas Workforce Commission (Commission) adopts the repeal of the following sections of Chapter 807 relating to Career Schools and Colleges, without changes, as published in the May 26, 2006, issue of the *Texas Register* (31 TexReg 4382):

- Subchapter G. Courses of Instruction, §§807.91–807.104
- Subchapter H. Application Fees and Other Charges, §§807.111–807.113
- Subchapter I. Advertising, §§807.121–807.126
- Subchapter J. Admission, §§807.141–807.147
- Subchapter K. Progress, §§807.161–807.164
- Subchapter L. Attendance Standards, §§807.171–807.175
- Subchapter M. Cancellation and Refund Policy, §§807.191–807.194
- Subchapter N. Records, §§807.211–807.214
- Subchapter O. Complaints, §807.221 and §807.222
- Subchapter P. Truck Driver Training Programs, §§807.231–807.235
- Subchapter Q. Closed Schools, §807.251 and §807.252
- Subchapter R. Cease and Desist Orders, §§807.271–807.282

The Commission adopts the following new sections to Chapter 807 relating to Career Schools and Colleges, without changes, as published in the May 26, 2006, issue of the *Texas Register* (31 TexReg 4382):

- Subchapter E. School Director and Administrative Staff, §807.66
- Subchapter G. Staff Education Requirements, §§807.101–807.103
- Subchapter H. Courses of Instruction, §§807.121–807.134
- Subchapter I. Application Fees and Other Charges, §§807.151–807.153
- Subchapter J. Advertising, §§807.171–807.176
- Subchapter K. Admission, §§807.191–807.197
- Subchapter L. Progress Standards, §§807.221–807.224
- Subchapter M. Attendance Standards, §§807.241–807.245
- Subchapter N. Cancellation and Refund Policy, §807.261, §807.262, and §807.264
- Subchapter O. Records, §§807.281–807.284
- Subchapter P. Complaints, §807.301 and §807.302
- Subchapter Q. Truck Driver Training Programs, §§807.321–807.325
- Subchapter R. Closed Schools, §807.341 and §807.342

Subchapter S. Cease and Desist Orders, §§807.361–807.366

The Commission adopts the following new section to Chapter 807 relating to Career Schools and Colleges, with changes, as published in the May 26, 2006, issue of the *Texas Register* (31 TexReg 4382):

Subchapter N. Cancellation and Refund Policy, §807.263

The Commission adopts amendments to the following sections of Chapter 807 relating to Career Schools and Colleges, without changes, as published in the May 26, 2006, issue of the *Texas Register* (31 TexReg 4382):

Subchapter B. Certificates of Approval, §807.14

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

Subchapter F. Instructors, §§807.81–807.84

The Commission adopts amendments to the following section of Chapter 807 relating to Career Schools and Colleges, with changes, as published in the May 26, 2006, issue of the *Texas Register* (31 TexReg 4382):

Subchapter A. General Provisions, §807.2

PART I. PURPOSE, BACKGROUND, AND AUTHORITY

PART II. EXPLANATION OF INDIVIDUAL PROVISIONS WITH COMMENTS AND RESPONSES

PART I. PURPOSE, BACKGROUND, AND AUTHORITY

The purpose of the rule amendment is to address statutory changes directed in House Bills (HB) 2333 and 2806, enacted by the 79th Texas Legislature, Regular Session (2005), which revise and amend Chapter 132 of the Texas Education Code.

HB 2333 directs initial and annual continuing education of six hours per year for directors of admissions, instructors, and chief administrative officers, or owners with supervisory authority, in career schools and colleges. The bill charges the Commission with establishing the minimum qualifications and training requirements in rule.

In addition to adding and amending several definitions, HB 2806 amends Texas Education Code, Chapter 132 by:

1. deleting the requirement to provide cost comparisons with exempt schools;
2. removing references to some of the currently required information on the certificate of approval, but leaving the final form to the Commission's discretion;
3. removing the reference to a bond from the section listing prohibitions; and

4. expanding the Commission's authority to arrange a teach-out (an arrangement with another school or college to provide for completion of the training of students of a closed school) to include any school or college, not only career schools or colleges as currently allowed.

More significantly, HB 2806 states that a career school or college that is eligible to participate in student financial aid programs under Title IV, Higher Education Act of 1965 (20 U.S.C. §1070 et seq.) is not required to take attendance. The bill deletes all references to "attendance" in Texas Education Code, Chapter 132, and also directs schools:

1. to provide written notice to students of all policies related to program interruption, including the student's responsibility to inform the school of his or her withdrawal; and
2. to verify the student's enrollment by documenting the student's participation in an academically related activity at the end of the first week, at the end of the first month, at the midpoint, and at the end of each semester or other academic term of the program.

Further, HB 2806 authorizes the Commission to adopt rules governing records necessary to make refunds.

Texas Education Code, Chapter 132, Subchapter J, regarding Cease and Desist Orders, allows the Commission to take action against career schools that are operating without a certificate of authority issued by the Commission. The Commission has had several hearings under Subchapter J, with two appeals to the Commission. The Commission's experiences with the hearings indicate that modifications of the process are necessary.

Through Texas Education Code, Chapter 132 and this chapter, the Agency licenses and regulates most private postsecondary career schools that offer vocational training or continuing education. The Agency also investigates complaints about schools, monitors schools to ensure regulatory compliance, arranges for the disposition of students affected by a school closure and administers the tuition trust account to pay tuition refunds to students when a school closes.

In carrying out its regulatory duties, the Agency seeks to provide customer protection for Texas students as well as ensure quality training of the labor force to meet the needs of Texas employers.

PART II. EXPLANATION OF INDIVIDUAL PROVISIONS WITH COMMENTS AND RESPONSES

(Note: Minor, nonsubstantive, editorial changes are made throughout Chapter 807 that do not change the meaning of the rules and, therefore, are not discussed in the Explanation of Individual Provisions.)

SUBCHAPTER A. GENERAL PROVISIONS

The Commission adopts the following amendments:

§807.2. Definitions

Section 807.2(3) adds a definition of "academic term." Neither Texas Education Code, Chapter 132 nor this chapter currently defines the term.

Section 807.2(4) adds a definition of "academically related activity." Neither Texas Education Code, Chapter 132 nor this chapter currently defines the term.

Comment: The commenter stated that this section needed additional language indicating the activities could be either residential or online. In addition, the commenter stated the section should include online activities such as logging on the Internet to participate in class communications and activities, including, but not limited to, threaded discussions or chat rooms.

Response: The Commission notes that, consistent with the other definitions contained in HB 2806, the definition of "academically related activity" aligns with the definition used in the Federal Financial Aid regulations. It is the intent of the Commission to provide for a variety of appropriately documented online activities, not only those listed in the definition. The Commission believes the definition provides schools with broad flexibility to adopt new technologies. At the same time, the definition allows the Commission to maintain a level of control that will minimize the potential for contested attendance records.

Section 807.2(7), the definition of "Board" is deleted because it is defined in Chapter 800.2 of this title; therefore, it is unnecessary to redefine the term in this chapter.

Section 807.2(8), the definition of "clock hour" is deleted because it is obsolete. Throughout the chapter, the term "clock hour" is replaced by the term "course time," which is defined in new §807.2(12).

Section 807.2(9), the definition of "Commission" is deleted because it is defined in Chapter 800.2 of this title; therefore, it is unnecessary to redefine the term in this chapter.

Section 807.2(9) adds a definition of "class or course." Adding the Texas Education Code definition of "class" or "course"; replacing the term "subject" with the terms "class" or "course" throughout the chapter, as appropriate; and deleting the §807.2(28) definition of "subject" implements the provisions of HB 2806, which amends §132.001(1-a) of the Texas Education Code. Generally, "class" refers to a single period of instruction that is part of a "course."

Section 807.2(11), the definition of "Course of Instruction" is unchanged, but renumbered from §807.2(13), in order to be listed in alphabetical order.

Comment: The commenter indicated that the terms "class" and "course" are not necessarily the same and stated that a course is clearly a unit of a program of instruction while a class could be a single session of a multiple-session course.

Response: The Commission agrees and notes that the rules refer to a class as a single period of instruction that is part of a course.

Section 807.2(12) adds a definition of "course time." Adding the Texas Education Code definition of "course time"; replacing the term "clock hour" with the term "course time"

throughout the chapter; and deleting the §807.2(8) definition of "clock hour" implements the provisions of HB 2806, which amends §132.001(1-b) of the Texas Education Code.

Section 807.2(19) adds a definition of "program or program of instruction." Adding the Texas Education Code definition of "program or program of instruction"; replacing "program" with the term "program or program of instruction" throughout the chapter, as appropriate; and deleting the §807.2(18) definition of "program" implements the provisions of HB 2806, which amends §132.001(14) of the Texas Education Code.

Section 807.2(31) adds a definition of "Title IV school." Neither Texas Education Code, Chapter 132 nor this chapter currently defines the term.

Comment: The commenter stated that while it is not clear why it was necessary to change §132.065 of the Texas Education Code by referencing participation in student financial aid programs under Title IV, the fact that the Title IV reference has been adopted means that a definition would be appropriate.

Response: The Commission appreciates the commenter's support.

Certain paragraphs in §807.2 have been renumbered to accommodate additions or deletions.

SUBCHAPTER B. CERTIFICATES OF APPROVAL

The Commission adopts the following amendments:

§807.14. Locations

The term "clock hour" is changed to "course time."

SUBCHAPTER E. SCHOOL DIRECTOR AND ADMINISTRATIVE STAFF

The Commission adopts the following amendments:

§807.62. School Director Qualifications and Duties

Section 807.62(a) removes the exemption for initial training for the school director of a small school. The school director is considered to be the chief administrative officer of or an owner with supervisory authority over a career school or college. The Commission adopts this revision in order to ensure that school directors meet the requirements of HB 2333. Additionally, the requirement to attend a workshop has been replaced with online training, set forth in new §807.101(a), which eliminates the cost and time associated with travel.

Section 807.62(d) is deleted and the information moved to new Subchapter G. Staff Education Requirements.

Section 807.62(i) is deleted because the provision is obsolete.

Certain subsections in §807.62 have been relettered to accommodate additions or deletions.

§807.64. Director of Education Requirements

Section 807.64(a) eliminates the grandfather clause, which is obsolete because of the passage of time.

§807.66. Director of Admissions Requirements

Section 807.66 is added to establish the minimum qualifications for the director of admissions position as directed in HB 2333.

Comment: The commenter asked what a director of admissions is and what activities that individual oversees. The commenter stated that it is important that the term be defined given that the title is interchangeable among institutions with respect to the management of recruiting, financial aid, and enrollment-related activity. Further, the commenter stated that historically the proprietary school sector has been required to separate the admissions/recruitment activities from financial aid in order to avoid the possibility of misrepresenting financial aid information and using it as an inducement for enrollment. The commenter stressed that many large institutions separate the admissions or enrollment process into distinct and discrete activities, e.g., recruitment, enrollment, admissions, and financial aid, and that depending on the organization, a director of admissions could have very different responsibilities and duties. The commenter added that §807.66(b)(1), which requires one year of management or administrative experience, should be eliminated regardless of the duties the Commission envisions to fall under this job title. The commenter contended that the requirement effectively means that an institution could not promote an individual who has shown the skills and knowledge and acquired sufficient experience in a subordinate position.

Response: The Commission disagrees with the comment that institutions' potentially disparate approaches to defining the job of director of admissions require the Commission to narrowly define this term. In amending §132.0551 of the Texas Education Code to include minimum qualification and training requirements, HB 2333 provides flexibility to institutions to develop individual job descriptions for this position, while ensuring that minimum standards are met. The statute also specifically tasks the Commission with establishing "minimum qualification and training requirements." Therefore, the Commission has limited its rulemaking to establishing certain minimum, basic qualification criteria for a director of admissions—without dictating a particular job description for that position. The Commission believes that a general requirement of one year of management or administrative experience to qualify for a director of admissions position is reasonable and in harmony with the legislative framework.

SUBCHAPTER F. INSTRUCTORS

The Commission adopts the following amendments:

§807.81. Instructor Qualifications

The term "subject" is changed to "course" or "class" and the term "clock hour" is changed to "course time."

Section 807.81(e) is deleted because the provision is obsolete.

Certain subsections in §807.81 have been relettered to accommodate additions or deletions.

§807.82. Temporary Instructors

The term "subject" is changed to "course" or "class."

§807.83. Instructor Application

The term "subjects" is changed to "classes."

§807.84. School Responsibilities Regarding Instructors

Section 807.84(c), §807.84(f), and §807.84(g) are deleted and the information contained in each is moved to new Subchapter G, Staff Education Requirements.

Certain subsections in §807.84 have been relettered to accommodate additions or deletions.

SUBCHAPTER G. STAFF EDUCATION REQUIREMENTS

The Commission adopts new Subchapter G, Staff Education Requirements, as follows:

HB 2333 amends Texas Education Code by adding §132.0551(a) and §132.0551(b), which require each director of admissions, each full-time instructor, and the chief administrative officer or owner with supervisory authority in a career school or college to meet minimum qualifications and training requirements established by Commission rule. Currently, Chapter 807 identifies the position of "chief administrative officer or owner with supervisory authority" as the school director. Furthermore, Chapter 807 contains minimum qualifications and training requirements for these two positions. This new subchapter establishes the minimum qualifications and training requirements for the director of admissions position and consolidates the training requirements for the three positions.

§807.101. Initial Training

Section 807.101 consolidates initial training requirements previously set forth in repealed §807.62(d), §807.84(c), §807.84(f), and §807.84(g). Additionally, new §807.101(a) adds an option for online training to meet the initial training requirement for school directors.

§807.102. Continuing Education

HB 2333 amends Texas Education Code by adding §132.0551(g), which establishes that the requirements of the new subsections do not take effect until September 1, 2006. The bill directs the Commission to prescribe by rule procedures that will allow an individual to meet the requirements prior to that date.

Section 807.102(a) sets forth the requirement that providers must submit an application for approval of continuing education training to the Commission, unless they are exempt.

Section 807.102(b) provides for approval of any training conducted after January 1, 2006, but prior to September 1, 2006.

Section 807.102(c) sets forth the training requirements previously located in §807.84(c).

Section 807.102(d) requires that each school director, full-time instructor, and director of admissions must complete a minimum of six hours of course time of continuing education applicable to the position within 12 months of employment in the position and each calendar year thereafter.

Section 807.102(e) states that the school must provide and document in-service training that provides updates on skills, knowledge, and technology required by business and industry for those instructors who have taught for two years, but have not gained relevant work experience during the two-year period.

§807.103. Record Keeping

Section 807.103 establishes the requirements for record keeping to document accomplishment of training and continuing education in accordance with the direction of HB 2333.

Comment: The commenter agreed with the recommendation to consolidate these related rules in one location.

However, the commenter stated that the aspects of the new §132.0551(c)–(d) of the Texas Education Code need clarification in the rules. For instance, what is a director of admissions, is it the individual who manages recruitment or is it the person who coordinates the admissions process, such as a registrar.

The commenter pointed out that with respect to instructors, §132.0551 references "full-time" instructors. The commenter asked if it is expected that any full-time staff who teaches (including the dean or program chair) will be subject to the requirement or only individuals with the job title of instructor and who teach full time.

The commenter also stated that §132.0551 indicates that these individuals must complete not less than six hours each year. The commenter inquired whether these are six clock hours, credit hours, or continuing education units, and whether per year means a calendar year or a 12-month period.

Response: The Commission appreciates the commenter's support for the consolidation of the related rules.

As previously stated, in amending §132.0551 of the Texas Education Code to include minimum qualification and training requirements, HB 2333 provides flexibility to institutions to develop individual job descriptions for the position of director of admissions, while ensuring that minimum standards are met. The statute also specifically tasks the Commission with establishing "minimum qualification and training requirements."

Therefore, the Commission has limited its rulemaking to establishing certain minimum, basic qualification criteria for a director of admissions, without dictating a particular job description for that position. The Commission believes that a general requirement of one year of management or administrative experience to qualify for a director of admissions position is reasonable and in harmony with the legislative framework.

The Commission believes that §132.0551 of the Texas Education Code applies to individuals who are instructors on a full-time basis. Therefore, only a full-time staff member who teaches on a full-time basis will be subject to the training requirement.

The Commission notes that new §807.102(d) of the rules explicitly specifies that the phrase "six hours each year of continuing education" referenced in §132.0551 of the Texas Education Code means six hours of course time. Moreover, subsection (d) specifies that the hours must be completed "within 12 months of employment in the position and each calendar year thereafter."

SUBCHAPTER H. COURSES OF INSTRUCTION

The Commission adopts new Subchapter H, Courses of Instruction, as follows:

§807.121. Definitions Relating to Courses of Instruction

The term "subject" is changed to "class" and the term "clock hour" is changed to "course time."

Otherwise, §807.121 has no changes to the text of repealed §807.91; however, it is renumbered to accommodate additions or deletions throughout the chapter.

§807.122. General Information for Courses of Instruction

The term "subject" is changed to "class" and the term "clock hour" is changed to "course time." Otherwise, §807.122 has no changes to the text of repealed §807.92; however, it is renumbered to accommodate additions or deletions throughout the chapter.

§807.123. Applications for Additional Courses of Instruction

Section 807.123 has no changes to the text of repealed §807.93; however, it is renumbered to accommodate additions or deletions throughout the chapter.

§807.124. Stated Occupation

Section 807.124 has no changes to the text of repealed §807.94; however, it is renumbered to accommodate additions or deletions throughout the chapter.

§807.125. Curriculum Content

The term "subject" is changed to "class" in the section. Otherwise, §807.125 has no changes to the text of repealed §807.95; however, it is renumbered to accommodate additions or deletions throughout the chapter.

§807.126. Curriculum Length

The term "subject" is changed to "class." Otherwise, §807.126 has no changes to the text of repealed 807.96; however, it is renumbered to accommodate additions or deletions throughout the chapter.

§807.127. Program Title

Section 807.127 has no changes to the text of repealed §807.97; however, it is renumbered to accommodate additions or deletions throughout the chapter.

§807.128. Equipment

Section 807.128 has no changes to the text of repealed §807.98; however, it is renumbered to accommodate additions or deletions throughout the chapter.

§807.129. Facilities

Section 807.129 has no changes to the text of repealed §807.99; however, it is renumbered to accommodate additions or deletions throughout the chapter.

§807.130. Admission Requirements Relating to Programs

Section 807.130 has no changes to the text of repealed §807.100; however, it is renumbered to accommodate additions or deletions throughout the chapter.

§807.131. School Responsibilities Regarding Programs

The term "subject" is changed to "class." Otherwise, §807.131 has no changes to the text of repealed §807.101; however, it is renumbered to accommodate additions or deletions throughout the chapter.

§807.132. Program Revisions

Section 807.132 has no changes to the text of repealed §807.102; however, it is renumbered to accommodate additions or deletions throughout the chapter.

§807.133. Program Requirements for Degree Granting Schools

Section 807.133 has no changes to the text of repealed §807.103; however, it is renumbered to accommodate additions or deletions throughout the chapter.

§807.134. Penalties Relating to Courses of Instruction

Section 807.134 has no changes to the text of repealed §807.104; however, it is renumbered to accommodate additions or deletions throughout the chapter.

SUBCHAPTER I. APPLICATION FEES AND OTHER CHARGES

The Commission adopts new Subchapter I, Application Fees and Other Charges, as follows:

§807.151. Fee Schedule

Section 807.151 has no changes to the text of repealed §807.111; however, it is renumbered to accommodate additions or deletions throughout the chapter.

§807.152. Renewal Fees

Section 807.152 has no changes to the text of repealed §807.112; however, it is renumbered to accommodate additions or deletions throughout the chapter.

§807.153. Installment Payments

Section 807.153 has no changes to the text of repealed §807.113; however, it is renumbered to accommodate additions or deletions throughout the chapter.

SUBCHAPTER J. ADVERTISING

The Commission adopts new Subchapter J, Advertising, as follows:

§807.171. General Information for Advertising

Section 807.171 has no changes to the text of repealed §807.121; however, it is renumbered to accommodate additions or deletions throughout the chapter.

§807.172. Advertisement Method

Section 807.172 has no changes to the text of repealed §807.122; however, it is renumbered to accommodate additions or deletions throughout the chapter.

§807.173. Advertisement Content

The term "subjects" is changed to "classes." Otherwise, §807.173 has no changes to the text of repealed §807.123; however, it is renumbered to accommodate additions or deletions throughout the chapter.

§807.174. Financial Incentives

Section 807.174 has no changes to the text of repealed §807.124; however, it is renumbered to accommodate additions or deletions throughout the chapter.

§807.175. Catalog

The term "subject" is changed to "class" and the term "clock hour" is changed to "course time." Otherwise, §807.175 has no changes to the text of repealed §807.125; however, it is renumbered to accommodate additions or deletions throughout the chapter.

§807.176. Advertisement Monitoring

Section 807.176 has no changes to the text of repealed §807.126; however, it is renumbered to accommodate additions or deletions throughout the chapter.

SUBCHAPTER K. ADMISSION

The Commission adopts new Subchapter K, Admission, as follows:

§807.191. General Information for Admission

The term "subject" is changed to "class" and the term "clock hour" is changed to "course time." Otherwise, §807.191 has no changes to the text of repealed §807.141; however, it is renumbered to accommodate additions or deletions throughout the chapter.

§807.192. Admission Requirements

The term "subjects" is changed to "classes." Otherwise, §807.192 has no changes to the text of repealed §807.142; however, it is renumbered to accommodate additions or deletions throughout the chapter.

§807.193. Receipt of Enrollment Policies

HB 2806 amends Texas Education Code §132.055(5) by deleting the requirements to provide students with regulations pertaining to absences and with notice of the availability of the cost comparison information for exempt schools. (Although Title IV schools are no longer required to take attendance, the requirement remains for non-Title IV schools.) Therefore, new §807.193(b)(4) specifies that attendance is a requirement for non-Title IV schools.

HB 2806 amends Texas Education Code by adding §132.065(b), which requires schools participating in Title IV programs to provide written notice of all policies related to program interruption prior to completion and to notify each student in writing that if the student withdraws, it is the student's responsibility to inform the school or college. Therefore, in addition to written notice to be provided to the student prior to enrollment, §807.193(b)(12) adds a requirement to provide written notice of all policies related to program interruption prior to completion and written notice of the student's responsibility to inform the school if the student withdraws.

Comment: The commenter stated that §807.193 involves receipt of enrollment policies and subsection (b) relates to the catalog and inquired whether the catalog will meet the expectation for "providing notice of all policies." The commenter also stated that the proposed amendment is vague as to what events might constitute program interruption; whether it is up to the institution to define program interruption; or whether the Commission expects to see certain events included.

The commenter also asked whether the catalog meets the expectation of notifying "each student in writing"; whether the Commission intends for the student to inform the school or college if he or she withdraws; and what the impact might be on a school if a student fails to provide notification of withdrawal.

Response: The Commission agrees that a catalog containing the information required in §807.193 satisfies this requirement. Section 807.193 requires the use of a form prescribed by the Commission to provide the listed items and information to each student prior to enrollment and requires signed acknowledgement of receipt of the items by the student. One of the items is a catalog. The form also will contain written notice that if students withdraw, it is their responsibility to notify the school or college, as well as provide written notice to the students that they are entitled to be provided written notice of all policies related to program interruption prior to completion. The school representative will have to provide the written notice to the student, which could be accomplished in a number of ways—most likely

by handing the student the written policies or directing the student to the location of the policies in the catalog.

The Commission considers program interruption to occur when the student fails to enter the course of instruction, withdraws, or is discontinued from the course of instruction at any time prior to completion. The Commission's intent in adding this section is to foster two-way communication. While a school cannot be responsible for students' failure to provide notice of withdrawal, the Commission believes that by putting students on notice of their responsibility to notify the school of their withdrawal, the impact of withdrawal on both the students and the school will be minimized. If a school complies with §807.243, relating to Termination of Enrollment, the Commission believes there will be no substantial negative impact on a school if a student fails to provide notification of withdrawal.

Additionally, the term "subjects" is changed to "classes" and the term "clock hour" is changed to "course time."

Otherwise, §807.193 has no changes to the text of repealed §807.143; however, it is renumbered to accommodate additions or deletions throughout the chapter.

§807.194. Enrollment Agreement

HB 2806 requires Title IV schools to terminate the enrollment of a student if the student's participation in an academically related activity cannot be documented at certain points during a term. The statute also authorizes the Commission to adopt rules necessary to make refunds. Section 807.194(e)(5) adds that the executed enrollment agreement must include a student's e-mail address if any part of the instruction or academically related activity is Web based.

Otherwise, §807.194 has no changes to the text of repealed §807.144; however, it is renumbered to accommodate additions or deletions throughout the chapter.

§807.195. Conduct Policy

Section 807.195 has no changes to the text of repealed §807.145; however, it is renumbered to accommodate additions or deletions throughout the chapter.

§807.196. Tuition and Fees

The term "subjects" is changed to "classes." Otherwise, §807.196 has no changes to the text of repealed §807.146; however, it is renumbered to accommodate additions or deletions throughout the chapter.

§807.197. Admission Requirements for Degree Granting Schools

Section 807.197 has no changes to the text of repealed §807.147; however, it is renumbered to accommodate additions or deletions throughout the chapter.

SUBCHAPTER L. PROGRESS STANDARDS

The Commission adopts new Subchapter L, Progress Standards, as follows:

§807.221. General Requirements for Progress Standards

The term "subject" is changed to "class." Otherwise, §807.221 has no changes to the text of repealed §807.161; however, it is renumbered to accommodate additions or deletions throughout the chapter.

§807.222. Progress Requirements for Residence Schools

The term "clock hour" is changed to "course time." Otherwise, §807.222 has no changes to the text of repealed §807.162; however, it is renumbered to accommodate additions or deletions throughout the chapter.

§807.223. Progress Requirements for Distance Education Schools

Section 807.223 has no changes to the text of repealed §807.163; however, it is renumbered to accommodate additions or deletions throughout the chapter.

§807.224. Progress Requirements for Degree Granting Schools

The term "subjects" is changed to "classes." Otherwise, §807.224 has no changes to the text of repealed §807.164; however, it is renumbered to accommodate additions or deletions throughout the chapter.

SUBCHAPTER M. ATTENDANCE STANDARDS

The Commission adopts new Subchapter M, Attendance Standards, as follows:

§807.241. General Requirements for Attendance

Section 807.241(b) adds that Title IV schools are not required to take attendance. Otherwise, §807.241 has no changes to the text of repealed §807.171; however, it is renumbered to accommodate additions or deletions throughout the chapter.

§807.242. Attendance Requirements for Degree Granting Schools

Section 807.242(a) clarifies that the requirements are for non-Title IV schools and Title IV schools that voluntarily take attendance. Additionally, the term "clock hour" is changed to "course time." Otherwise, §807.242 has no changes to the text of repealed §807.172; however, it is renumbered to accommodate additions or deletions throughout the chapter.

§807.243. Termination of Enrollment

Section 807.243(b)(1)–807.243(b)(4) adds the requirement that a Title IV school that does not voluntarily take attendance must terminate enrollment for a student whose participation in an academically related activity cannot be documented at specified points during the academic term.

Comment: The commenter inquired whether verification is intended to occur at the end of each period and, if so, does this establish the withdrawal date for refunds; if the verification indicates that academically related activity ceased prior to the end of a period, is that the

effective withdrawal date; and what constitutes verification and documentation. The commenter stated that there is an existing subsection (c) in §807.173(a)(1) that conflicts with the proposed §807.243(b)(3) and §807.243(b)(4). Section 807.173(a)(1) requires institutions to terminate students at 10 consecutive days of absence. Verifying at the end of these points could mean that a student could have exceeded the 10-consecutive-day requirement for residential students. The commenter asked if Title IV schools are not required to take attendance, does that mean that they are exempt from the attendance requirements detailed in §807.173 (a)(1) as well as §807.172 and §807.173(a). If so, that condition should be stated. If not, those sections need to be revised to eliminate conflicts and confusion.

Response: The Commission appreciates the commenter's request for guidance. If a Title IV school does not voluntarily take attendance, §807.263(d) requires that the school calculate refunds based on the scheduled hours of classes through the last documented day of an academically related activity. Section 807.283 addresses record keeping requirements for both Title IV and non–Title IV schools.

The Commission disagrees that there are conflicts in §807.172 and §807.173 as these sections have been repealed. Section 807.243 sets out separate requirements for Title IV schools.

Section 807.243(c) specifies that for purposes of §807.243, the definition of "month" is four weeks.

The term "subject" is changed to "class" and the term "clock hour" is changed to "course time." Otherwise, §807.243 has no changes to the text of repealed §807.173; however, it is renumbered to accommodate additions or deletions throughout the chapter.

§807.244. Make-up Work

The term "clock hour" is changed to "course time." Otherwise, §807.244 has no changes to the text of repealed §807.174; however, it is renumbered to accommodate additions or deletions throughout the chapter.

§807.245. Leaves of Absence

The term "subject" is changed to "class" and the term "clock hour" is changed to "course time." Otherwise, §807.245 has no changes to the text of repealed §807.175; however, it is renumbered to accommodate additions or deletions throughout the chapter.

SUBCHAPTER N. CANCELLATION AND REFUND POLICY

The Commission adopts new Subchapter N, Cancellation and Refund Policy, as follows:

§807.261. Right to Cancel after Tour

Section 807.261 has no changes to the text of repealed §807.191; however, it is renumbered to accommodate additions or deletions throughout the chapter.

§807.262. Consummation of Refund

Section 807.262 has no changes to the text of repealed §807.192; however, it is renumbered to accommodate additions or deletions throughout the chapter.

§807.263. Refund Requirements for Residence Schools

Section 807.263(d) adds instruction on the calculation of refunds for Title IV and non-Title IV schools. Otherwise, §807.263 has no changes to the text of repealed §807.193; however, it is renumbered to accommodate additions or deletions throughout the chapter.

§807.264. Penalties Relating to Refunds

Section 807.264 has no changes to the text of repealed §807.194; however, it is renumbered to accommodate additions or deletions throughout the chapter.

SUBCHAPTER O. RECORDS

The Commission adopts new Subchapter O, Records, as follows:

§807.281. General Information for Records

Section 807.281 has no changes to the text of repealed §807.211; however, it is renumbered to accommodate additions or deletions throughout the chapter.

§807.282. Student Records

Section 807.282 has no changes to the text of repealed §807.212; however, it is renumbered to accommodate additions or deletions throughout the chapter.

§807.283. Attendance Record Keeping

Section 807.283(a) states that the requirements in this subsection apply only to non-Title IV schools.

Section 807.283(a)(1) provides that no separate master record of attendance is required of a school that offers seminars or other programs in which students do not change instructors during the school day.

Section 807.283(a)(2) specifies that schools must maintain a master record of attendance for each student that clearly reflects the number of scheduled hours each day and the hours of absence.

Section 807.283(a)(3) details the required manner in which each instructor must maintain a record of attendance for each student.

Section 807.283(b)(1) adds the requirement for Title IV schools to maintain a form signed and dated by the student to document participation in an academically related activity. An e-mail sent from the student's e-mail account of record will meet this requirement.

Section 807.283(b)(2) adds the requirement that Title IV schools maintain a class schedule, including the number of hours for each class day or the number of scheduled hours for each week for synchronous distance education for each student.

Section 807.283(c) adds that a Title IV school may voluntarily take attendance to meet the requirements of Texas Education Code, Chapter 132 and this chapter.

Comment: The commenter asked whether this amendment applies to all Title IV schools, regardless of whether they take attendance. The commenter stated that a school can maintain these records, but it is not clear how these amendments to the Attendance Record Keeping section contribute in a meaningful way to making refunds relative to the amendments to §807.263.

The commenter also stated that the proposed rule amendments cannot be reasonably applied to distance education activities. With respect to §807.283(b)(1), the commenter inquired what TWC would expect for students participating in synchronous or asynchronous distance education activities; whether the form is signed and dated at the beginning of the term or in conjunction with each "academically related activity" for either the residential or distance education activity; and, if the latter, would simple proof suffice, such as submission of assignments, participating in class communications and activities, including but not limited to threaded discussions and/or chat rooms, or even taking attendance in a residential setting.

The commenter further stated that §807.283(b)(2) does not appear to accommodate asynchronous distance education delivery, the most common method of delivery, because students do not have "class days" and are not "scheduled." Finally, courses that combine residential and distance education activity are becoming increasingly common. The commenter asked what TWC's expectation is with respect to this delivery model because, as written, these requirements are administratively burdensome and are an impediment for institutions that wish to offer courses via asynchronous distance education separately or in combination with residential courses.

Response: The Commission intends that if a Title IV school uses attendance to fulfill the requirements, §807.283(b) would not apply. The Commission believes that maintaining documents evidencing a student's participation is essential in resolving any refund conflicts that may arise between students and schools. Paragraph 807.283(b)(1) requires a form for each activity—not just at the beginning of the term because that would document the student's presence only at the beginning of the term. Also, this subsection provides for verification by e-mail for distance education. Additionally, a signed test or certain other signed documents generated through defined academically related activities will meet the requirements. Furthermore, §807.283(c) provides for voluntary taking of attendance to fulfill the requirements.

Texas Education Code, Chapter 132 requires a different refund policy based on completed lessons rather than scheduled hours of attendance; therefore, the Commission does not address asynchronous distance education in §807.283(b)(2).

The Commission recognizes that there are courses that combine residence and distance education instruction. If the distance education portion is synchronous, the entire course is treated as a residence course. If the distance education is asynchronous, appropriate policies are applied to each part of the course.

§807.284. Employment Records

Section 807.284 has no changes to the text of repealed §807.214; however, it is renumbered to accommodate additions or deletions throughout the chapter.

SUBCHAPTER P. COMPLAINTS

The Commission adopts new Subchapter P, Complaints, as follows:

§807.301. School Policy Regarding Complaints

Section 807.301 has no changes to the text of repealed §807.221; however, it is renumbered to accommodate additions or deletions throughout the chapter.

§807.302. Complaints and Investigations

Section 807.302 has no changes to the text of repealed §807.222; however, it is renumbered to accommodate additions or deletions throughout the chapter.

SUBCHAPTER Q. TRUCK DRIVER TRAINING PROGRAMS

The Commission adopts new Subchapter Q, Truck Driver Training Programs, as follows:

§807.321. General Information Regarding Truck Driver Training

Section 807.321 specifies that truck driver instructors complete a "truck driver instructor development course with at least 40 hours of course time."

§807.322. Truck Driver Instructor Development Course

The term "clock hours" is changed to "course time." Otherwise, §807.322 has no changes to the text of repealed §807.232; however, it is renumbered to accommodate additions or deletions throughout the chapter.

§807.323. Behind-the-Wheel Instruction

Section 807.323 has no changes to the text of repealed §807.233; however, it is renumbered to accommodate additions or deletions throughout the chapter.

§807.324. Motor Vehicle Insurance

Section 807.324 has no changes to the text of repealed §807.234; however, it is renumbered to accommodate additions or deletions throughout the chapter.

§807.325. Prohibited Activities Regarding Truck Driver Training.

Section 807.325 has no changes to the text of repealed §807.235; however, it is renumbered to accommodate additions or deletions throughout the chapter.

SUBCHAPTER R. CLOSED SCHOOLS

The Commission adopts new Subchapter R, Closed Schools, as follows:

§807.341. School Closures

Section 807.341 has no changes to the text of repealed §807.251; however, it is renumbered to accommodate additions or deletions throughout the chapter.

§807.342. Tuition Trust Account

Section 807.342 has no changes to the text of repealed §807.252; however, it is renumbered to accommodate additions or deletions throughout the chapter.

SUBCHAPTER S. CEASE AND DESIST ORDERS

The Commission adopts new Subchapter S, Cease and Desist Orders, as follows:

§807.361. Statement of Charges and Notice of Hearing on Cease and Desist Orders

Section 807.361 provides that the Agency may issue a statement of charges and notice of hearing to consider issuance of a cease and desist order, if the Agency believes a person is operating a career school or college without a certificate of approval.

§807.362. Contents of Statement of Charges and Notice of Hearing

Section 807.362 changes the reference to "Executive Director" to "Agency."

Section 807.362(2) changes the reference to "Commission" to "Agency."

Otherwise, §807.362 has no changes to the text of repealed §807.273; however, it is renumbered to accommodate additions or deletions throughout the chapter.

§807.363. Service of Statement of Charges and Hearing Notice for the Issuance of Cease and Desist Orders

Section 807.363 has no changes to the text of repealed §807.274; however, it is renumbered to accommodate additions or deletions throughout the chapter.

§807.364. Ex Parte Consultations

Section 807.364 adds requirements to ensure that the Agency and all parties comply with standard prohibitions against ex parte contacts.

§807.365. Hearing Decision and Final Review by the Commission

Section 807.365(a) clarifies that the hearing officer's decision becomes final on the 15th day after receipt in order to be consistent with §807.365(b).

Section 807.365(c) specifies that the Commission must consider a written appeal and promptly issue a decision. Additionally, if oral argument is requested and approved, the Commission must schedule and hold an oral argument not later than 90 days after the receipt of the written appeal.

Otherwise, §807.365 has no changes to the text of repealed §807.281; however, it is renumbered to accommodate additions or deletions throughout the chapter.

§807.366. Cease and Desist Order

Section 807.366(a) changes the reference to "Executive Director" to "hearing officer," and specifies that a cease and desist order also must be issued against the person operating a career school or college without a certificate of approval.

Otherwise, §807.366 has no changes to the text of repealed §807.282; however, it is renumbered to accommodate additions or deletions throughout the chapter.

General Comments

Comment: The commenter contended that the amendments do not address one of the more problematic areas of the rules, specifically refund policies. Texas Education Code §132.061 historically has required refunds for resident programs and synchronous distance education courses to be based on the period of enrollment. TWC has interpreted the period of enrollment to mean the entire program of study computed on the basis of course time. The recent amendments to §132.061(b)(4)(A) through (F) have now added "program," indicating that the refund time frame can be applied to either a "program or course." The commenter stated that it is not clear under which conditions either applies and asked whether an institution that offers degree programs can make refunds based on the course, which is generally delivered over an academic quarter. The commenter asserted that the period of enrollment should mean a course/academic quarter because this is the period for which a student is actually enrolled and charged, which is how the U.S. Department of Education defines "period of enrollment" and is the most commonly accepted practice in other states.

The commenter further stated that §132.061 of the Texas Education Code requires that refunds for resident and synchronous distance education programs be based on the period of enrollment computed as course time, while refunds for asynchronous programs must be based on lessons. It is common practice today for institutions to utilize a combined residential and asynchronous delivery model for some courses. The commenter maintained that the existing statute and rules make it virtually impossible for institutions to offer this "hybrid" model in Texas because a refund policy would be difficult to formulate. An institution would effectively have to establish a separate refund policy for each activity, which is complicated, cumbersome, and confusing for the institution and students.

Response: The Commission recognizes that "hybrid" courses combining asynchronous and synchronous components are subject to two different refund policies. Texas Education Code §132.061(b) establishes different refund policies for asynchronous and synchronous distance education courses based upon differences in how each type of course is defined. Under §132.061(b)(8), refunds for asynchronous distance education courses are computed on the basis of the number of lessons in the course, whereas refunds for resident courses and synchronous distance education courses are based on the period of enrollment computed on the basis of course time expressed in clock hours. The rules parallel the statutory requirements. Accordingly, while establishing a separate refund policy for each activity may be burdensome, the rule is consistent with statutory requirements.

COMMENTS WERE RECEIVED FROM:

David Luce, ITT Educational Services

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

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

The adopted rules affect Title 4, Texas Labor Code, particularly Chapters 301 and 302, as well as Texas Education Code, Chapter 132.

Chapter 807. CAREER SCHOOLS AND COLLEGES

SUBCHAPTER A. GENERAL PROVISIONS

§807.2. Definitions.

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

- (1) Academic quarter -- A period of instruction that includes at least ten weeks of instruction, unless otherwise approved by the Commission.
- (2) Academic semester -- A period of instruction that includes at least 15 weeks of instruction, unless otherwise approved by the Commission.
- (3) Academic term -- An academic quarter, academic semester, or other progress evaluation period.
- (4) Academically related activity -- **Includes, but is not limited to, an** exam, a-tutorial, computer-assisted instruction, academic counseling, academic advisement, turning in a class assignment, or attending a study group that is assigned by the institution, or other activity as determined by the Commission.
- ~~(5)(3)~~ Accountant -- An independent certified public accountant properly registered with the appropriate state board of accountancy.
- ~~(6)(4)~~ Act -- Texas Education Code, Chapter 132, Career Schools and Colleges.
- ~~(7)(5)~~ Advertising -- Any affirmative act designed to call attention to a school or program for the purpose of encouraging enrollment.
- ~~(8)(6)~~ Asynchronous distance education -- Distance education training that the Commission determines is not synchronous.
- ~~(7) — Board — A local workforce development board as created under the Workforce and Economic Competitiveness Act.~~
- ~~(8) — Clock hour — Fifty minutes of instruction during a 60-minute period.~~
- ~~(9) — Commission — The Texas Workforce Commission.~~
- (9) Class or course -- An identifiable unit of instruction that is part of a program of instruction.

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

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

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

(A) a 50-minute to 60-minute lecture, recitation, or class, including a laboratory class or shop training, in a 60-minute period;

(B) a 50-minute to 60-minute internship in a 60-minute period; or

(C) 60 minutes of preparation in asynchronous distance education.

~~(13)~~(14) Distance education course -- Either a seminar or a program that is offered to non-residence school students via correspondence or other media from a remote site on a self-paced schedule, excluding programs using interactive instruction.

~~(14)~~(12) Distance education school -- A school that offers only distance education courses.

~~(13) Course of instruction -- A program or seminar.~~

~~(15)~~(14) Employment -- A graduating or graduate student's employment in the same or substantially similar occupation for which the student was trained.

~~(16)~~(15) Good reputation -- A person is considered to be of good reputation if the person:

(A) has never been convicted of a felony related to the operation of a school, and the person has been rehabilitated, including completion of parole or probation, from any other convictions that would constitute risk of harm to the school or students as determined by the Commission;

(B) has never been successfully sued for fraud or deceptive trade practices within the last 10 years;

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

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

- ~~(17)~~(16) Job placement -- An affirmative effort by the school to assist the student in obtaining employment in the same or substantially similar stated occupation for which the student was trained.
- ~~(18)~~(17) Master student registration list -- A comprehensive list with an entry made for any person who signs an enrollment agreement, makes a payment to attend the school, or attends a class. The entry shall be made on the date the first of these events occurs.
- ~~(18)~~ ~~Program~~ -- ~~A sequence of approved subjects offered by a school that teaches skills and fundamental knowledge required for employment in the stated occupation.~~
- ~~(19)~~ Program or program of instruction -- A postsecondary program of organized instruction or study that may lead to an academic, professional, or vocational degree, certificate, or other recognized educational credential.
- ~~(20)~~(19) 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.
- ~~(21)~~(20) Residence school -- A school that offers at least one program that includes classroom instruction or synchronous distance education.
- ~~(22)~~(21) School -- A "career school or career college," as defined in the Act, that includes each location where courses of instruction shall be offered.
- ~~(23)~~(22) Secondary education -- Successful completion of public, private, or home schooling at the high school level or obtainment of a recognized high school equivalency credential.
- ~~(24)~~(23) Seminar -- A course of instruction that enhances a student's career, as opposed to a program that teaches skills and fundamental knowledge required for a stated occupation. A seminar may include a workshop, an introduction to an occupation or cluster of occupations, a short course that teaches part of the skills and knowledge for a particular occupation, language training, continuing professional education, and review for postsecondary examination.
- ~~(25)~~(24) Seminar school -- A school that offers only seminars.
- ~~(26)~~(25) Small school -- A "small career school or college" as defined in the Act.
- ~~(27)~~(26) Stated occupation -- An occupation for which a program is offered that:
- (A) is recognized by a state or federal law or by a state or federal agency as existing or emerging;

(B) is in demand; and

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

~~(28)~~(27) Student -- Any individual solicited, enrolled, or trained in Texas by a school.

~~(28)~~ Subject -- A component of a program that includes specific content designed to advance the practical skills and knowledge necessary to prepare a student for employment in the stated occupation. A subject in a school is similar to a course at a community or technical college.

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

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

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

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

~~(31)~~ Title IV school -- A career school or college that participates in student financial aid programs under Title IV, Higher Education Act of 1965 (20 U.S.C. Section 1070 et seq.).

~~(32)~~(34) Tour -- An inspection of the facilities and equipment pertaining to a course of instruction.

~~(33)~~(32) Week -- Seven consecutive calendar days.

SUBCHAPTER B. CERTIFICATES OF APPROVAL

§807.14. Locations.

- (a) A school shall obtain a certificate of approval for each location where courses of instruction will be offered, unless the school has a certificate of approval and meets one of the exceptions in this section.
- (b) The Commission may approve the following as exempt from applying for approval for a new or additional location, if requested at least 30 days in advance:
 - (1) seminars, including preparation for licensing examinations, educational institution entrance examinations, and reading improvement;
 - (2) classes in no more than one location at a time as an itinerant school;
 - (3) classes at facilities used for additional classrooms for instructional services only, which are within a one-mile radius of the main campus and are dependent on the main campus for administration, supervision, fiscal control, and student services; or
 - (4) short-term programs. Short term programs:
 - (A) include course time of 200 clock-hours or less of instruction; and
 - (B) are conducted with at least a 90-day interval between cessation of one program and the beginning of the next.
- (c) The school shall file an application for a certificate of approval to reflect a new or additional location, including all documents deemed necessary by the Commission, and the appropriate fee. The Commission may issue the certificate of approval after inspection of the new facilities.
- (d) If the Commission determines that a move of the school presents an unreasonable transportation hardship which would prevent a student from completing the training at the new location, the school shall provide a full refund of all monies paid and a release from all obligations to the student.

SUBCHAPTER E. SCHOOL DIRECTOR AND ADMINISTRATIVE STAFF

§807.62. School Director Qualifications and Duties.

- (a) A school director of a small school shall have administrative or management experience and. ~~A school director of a small school shall be of good reputation, and is not required to attend a Commission-sponsored workshop prior to initial approval by the Commission.~~

- (b) A school director of other than a small school shall be of good reputation and have a total of five years of administrative or management experience. An equivalent duration of higher education, college or university, may be substituted for each year of experience.
- (c) The school shall obtain Commission approval for the school director before employment of the school director.
- ~~(d) A school director shall attend a Commission sponsored workshop and demonstrate a proficiency of the knowledge required to operate a school before final Commission approval may be granted. The Commission may require a school director to attend additional workshops scheduled by the Commission in order to maintain skills and continue as an approved school director.~~
- (d)(e) The school director is responsible for the courses of instruction, organization of classes, designation of a liaison for Commission compliance visits, maintenance of the school facilities and proper administrative records, and all other matters related to the administration of the school, as determined by the Commission.
- (e)(f) The school director shall sign and agree to the terms of the Director's Statement.
- (f)(g) The Commission may require the school director to attend additional training to continue approved director status if a school has more than one substantiated complaint from students during a one-year period. If the school has repeat violations from a previous year under the same director, the Commission may revoke the approval of the school director.
- (g)(h) The school director shall:
 - (1) ensure that all facilities, including housing endorsed by the school, comply with local, city, county, municipal, state, and federal regulations such as, but not limited to, fire, building, and sanitation codes; and
 - (2) inspect facilities, including housing, before endorsement.
- ~~(i) The Commission shall grandfather the director of a school from meeting the requirements contained in this section, providing that the school has submitted the application for that school director to the Commission prior to the effective date of this section, and the application results in approval by the Commission.~~

§807.64. Director of Education Requirements.

- (a) A school may have a director of education. ~~The Commission shall grandfather schools from meeting the director of education requirements contained in this section~~

~~for a particular director of education provided that the school has submitted the application for approval of the director of education to the Commission prior to the effective date of this section and the application results in approval by the Commission.~~

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

§807.66. Director of Admissions Requirements.

- (a) A school may have a director of admissions. An individual employed by a school as a director of admissions prior to the effective date of this section is not subject to §807.66(b)(1) and §807.66(b)(2).
- (b) If the school employs a director of admissions, the director shall be of good reputation and, in addition, shall have:
 - (1) one year of management or administrative experience; and
 - (2) one year of admissions experience.

SUBCHAPTER F. INSTRUCTORS

§807.81. Instructor Qualifications.

- (a) The instructor shall be of good reputation and shall not be a current student in the same or similar program, as determined by the Commission, in which the instructor teaches.
- (b) Instructors shall possess and affirm on forms provided by the Commission that the instructor has one of the following qualifications that applies to the course subject area to be taught. In such cases where the practical experience is gained on a seasonal basis as an industry standard, the season of at least three months of experience shall be considered as one year of experience.
 - (1) The instructor has a master's degree or higher that:

- (A) includes satisfactory completion of six semester credit hours or eight quarter credit hours in the class subject to be taught;
 - (B) includes satisfactory completion of three semester credit hours or four quarter credit hours in the course subject-area and one year of related practical experience within the ten years immediately preceding employment by the school, if the class subject to be taught is in a technical field;
 - (C) includes satisfactory completion of three semester credit hours, or four quarter credit hours in the course subject-area to be taught, if the class subject to be taught is in a non-technical field; or
 - (D) includes one year of related practical experience in the class subject to be taught within the ten years immediately preceding employment by the school, if the class subject to be taught is in a non-technical field.
- (2) The instructor has a bachelor's degree that:
- (A) includes nine semester hours or 12 quarter hours related to the course subject-area to be taught;
 - (B) includes satisfactory completion of six semester credit hours or eight quarter credit hours in the course subject-area to be taught and one year of related practical experience within the ten years immediately preceding employment by the school, if the class subject to be taught is in a technical field;
 - (C) includes satisfactory completion of three semester credit hours or four quarter credit hours in the course subject-area and one year of related practical experience within the ten years immediately preceding employment by the school, if the class subject to be taught is in a non-technical field; or
 - (D) includes two years of related practical experience within the ten years immediately preceding employment by the school.
- (3) The instructor has an associate's degree that:
- (A) includes satisfactory completion of nine semester credit hours or 12 quarter hours in the course subject-area to be taught and two years of related practical experience within the ten years immediately preceding employment by the school; or
 - (B) includes three years of related practical experience within the ten years immediately preceding employment by the school.

- (4) The instructor has a secondary education if it includes a certificate of completion from a recognized postsecondary school for a program with course time of at least a-900 hours clock-hour program in a relevant course subject area and four years of related practical experience within the ten years immediately preceding employment by the school; or
 - (5) The instructor has proof of satisfactory completion of secondary education if accompanied by five years of related practical experience within the ten years immediately preceding employment by the school.
- (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 Commission requires that a court reporting instructor of only machine shorthand theory and speedbuilding shall have:
 - (A) an associate's degree or higher and certificate of completion of machine shorthand theory requirements in an accredited court reporting program;
 - (B) an associate's 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 Commission 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 Commission 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 clock-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 Commission 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 clock-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.
- (5) The Commission requires that a bartending instructor shall be certified by the Texas Alcoholic Beverage Commission as having completed the required awareness course.
- (d) The director shall ensure that an instructor applicant demonstrates sufficient language to teach the class subject for which the instructor is applying to teach.
- ~~(e) The Commission shall grandfather schools from meeting the instructor requirements contained in this section for a particular instructor provided that the school has submitted the application for approval of the instructor to the Commission prior to the effective date of this section and the application results in approval by the Commission.~~
- ~~(e)(f)~~ For those instructors who return to the school prior to one full year of absence, and who will be teaching the same classes subjects as previously approved, the school shall document the leave and reinstatement dates in the instructor's personnel file. When an instructor begins teaching new classes subjects or the absence was more than one year, the school shall submit a new application to the Commission.

§807.82. Temporary Instructors.

- (a) The Commission may allow a school to use a previously unapproved instructor to teach temporarily for a reasonable amount of time in the case of an emergency, as determined by the Commission.
- (b) In such circumstances, the school shall provide written notice to the Commission delivered no later than the first day the temporary instructor begins teaching. The notice shall include:
 - (1) the class subject to be taught;
 - (2) the name of the approved instructor;
 - (3) the name of the temporary instructor; and

- (4) the reason for the temporary instructor.
- (c) Failure to properly notify the Commission shall result in penalties for the use of an unapproved instructor.
- (d) The temporary instructor shall have practical experience or education in the course subject-area to be taught, and shall not have been previously disapproved to teach the class~~subject~~.
- (e) There shall be no more than one temporary instructor per grading period in an individual class~~subject~~, unless specifically approved in advance by the Commission.
- (f) Failure to comply with this section shall result in penalties, up to and including, a full refund to all students attending such classes.

§807.83. Instructor Application.

- (a) A school that has been licensed for at least one year and is accredited by an agency recognized by the U. S. Secretary of Education is not required to submit instructor applications to the Commission for approval. Documentation that the instructor meets the requirements of this chapter must be kept on file at the school and available for review immediately upon request.
- (b) The school shall file an application for approval of an instructor on forms provided by the Commission in accordance with the following criteria and ensure that the instructor is of good reputation.
 - (1) The application shall be postmarked within five calendar days of employment as an instructor subject to the conditions outlined in this subchapter. A school may employ an instructor pending approval by the Commission.
 - (2) Depending upon the qualifications indicated on the application, the application shall include one or more of the following:
 - (A) a legible copy of the postsecondary certificate or degree, or a transcript indicating appropriate coursework completed, as applicable;
 - (B) proof of a current occupational license; and
 - (C) proof of secondary education.
- (c) A school with degree programs shall ensure that instructors are of good reputation and meet all the qualifications required by the Coordinating Board.

- (d) The Commission may approve a variance from the specific qualifications contained in Section 807.81 of this subchapter with sufficient justification and an assurance that the program quality will not be lessened.
- (e) The Commission may consider current approvals of instructors by other Texas state agencies responsible for approval and regulation of the program, or any professional certifications held by the instructor when submitted with the Commission's instructor application. The Commission will accept notification, in lieu of a new instructor application, for any instructor that has a current approval by the Commission to teach the same classes ~~subjects~~ at other schools that have the same owners.
- (f) The Commission may require the school director of an accredited school to file applications for instructors if there have been two substantiated complaints regarding instructors in the previous year, or if the school is unable to produce, when requested, documentation that all instructors meet the requirements of this subchapter.
- (g) The Commission may require a school director to submit and receive approvals for instructor applications in advance of employing the instructors for a period of one year if the school has had three instructor applications finally disapproved within the previous two years.

§807.84. School Responsibilities Regarding Instructors.

- (a) The school shall ensure that an appropriate number of instructors, as determined by the Commission, have proper licensure or certificates required for the stated occupation's objective. The holder of the license or certificate shall actively participate in program development and revisions.
- (b) The school shall ensure continuity of instruction through reasonable retention of instructors to provide students with a quality education.
- ~~(c) The school shall implement, maintain, and update annually a written plan for staff development, which includes, at a minimum, continuing education, staff meetings, attendance at trade and professional conferences, and observation of, or participation in, on the job activities.~~
- ~~(c)(d)~~ The school director or director of education shall formally evaluate each instructor in writing at least annually, subject to review by the Commission.
- ~~(d)(e)~~ The school director or director of education shall ensure that students are allowed the opportunity to formally evaluate each instructor in writing at least annually and incorporate said evaluation in the instructor's overall evaluation. These student evaluations are subject to review by the Commission.

- ~~(f) The school shall provide in-service training within the first three months of teaching to those instructors hired lacking teaching experience. In-service training includes planned professional development opportunities that enable inexperienced instructors to learn and develop effective teaching strategies and skills. Topics shall include competency-based training, instructional methods, adult learning styles, and student learning and skills assessment. Competency-based training specifies the skills and skill levels required to complete a training program, develops and organizes teaching and learning methods to enable students to achieve the identified skills and levels of proficiency, and uses criterion-referenced evaluation to measure achievement.~~
- ~~(g) The school shall provide and document in-service training that provides updates on skills, knowledge, and technology required by business and industry for those instructors who have taught for two years, but have not gained relevant work experience during the two-year period.~~

SUBCHAPTER G. STAFF EDUCATION REQUIREMENTS

§807.101. Initial Training.

- (a) A school director shall complete the online training contained in the Director's Resource Guide or attend a Commission-sponsored workshop and demonstrate a proficiency of the knowledge required to operate a school before final Commission approval may be granted. The Commission may require a school director to retrain in order to maintain skills and continue as an approved school director.
- (b) The school shall provide in-service training within the first three months of teaching to those instructors hired lacking teaching experience. In-service training includes planned professional development opportunities that enable inexperienced instructors to learn and develop effective teaching strategies and skills. Topics shall include competency-based training, instructional methods, adult learning styles, and student learning and skills assessment. Competency-based training specifies the skills and skill levels required to complete a training program, develops and organizes teaching and learning methods to enable students to achieve the identified skills and levels of proficiency, and uses criterion-referenced evaluation to measure achievement.

§807.102. Continuing Education.

- (a) Except for exempt providers as defined in the Act, providers shall submit an application for approval of continuing education training. In approving continuing education training, the Commission shall consider the factors set out in §132.0551 of the Act.

- (b) If a continuing education training provider submits an application for approval prior to September 1, 2006, and the application and courses are approved, all training conducted on or after January 1, 2006, will be considered as approved continuing education if the training is determined by the Commission to be substantially similar to the application.
- (c) The school shall implement, maintain, and update annually a written plan for staff development, which includes at a minimum, continuing education, staff meetings, attendance at trade and professional conferences, and observation of, or participation in, on-the-job activities.
- (d) Each school director, full-time instructor, and director of admissions shall complete a minimum of six hours of course time of continuing education applicable to the position within 12 months of employment in the position and each calendar year thereafter.
- (e) The school shall provide and document in-service training that provides updates on skills, knowledge, and technology required by business and industry for those instructors who have taught for two years, but have not gained relevant work experience during the two-year period.

§807.103. Record Keeping.

The school shall:

- (1) maintain records of any continuing education or training received by its officials or personnel indicating for which position the training was received;
- (2) maintain records of any continuing education or training for officials or personnel for five years; and
- (3) retain the records on the premises of the school or college so the records are immediately available for review.

SUBCHAPTER H. COURSES OF INSTRUCTION

§807.121. Definitions Relating to Courses of Instruction.

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

- (1) Externship -- Practical, program-related, off-campus training under direct or indirect instructor supervision, with a preplanned outline of experiences and competencies.
- (2) Laboratory experience -- A specific experience of observation, experimentation, practice, study, technical investigation, analysis, and practical application of theory or verbal instruction involving hands-on supervised study in a selected vocation or class.
- (3) Lecture -- A presentation of theories, concepts, procedures, or information about a particular class.
- (4) New program -- A program:
 - (A) not previously offered;
 - (B) previously offered and then discontinued;
 - (C) with a revised objective such that the program provides preparation for different jobs than those for which the program was originally approved (examples: legal secretary to paralegal; dental technician to medical technician; computer operator to computer programmer); or
 - (D) with a 25 percent or more change within a 12-month period to the total number of hours, content, or lessons (examples: course time from 1,000 hours to 750, 600 hours to 900, 20 lessons to 30, 60 semester credit hours to 80).
- (5) New seminar -- A seminar:
 - (A) not previously offered;
 - (B) previously offered and then discontinued;
 - (C) with a revised objective; or
 - (D) with a 25 percent or more change in a 12-month period to the total number of hours of the approved seminar.
- (6) Revised program or seminar -- Revisions include changes in admission requirements, title, class title, objective description (but not the detailed objective), class course time or credit hours, or class hours of lecture, laboratory, or externship. Scheduling and price changes are catalog changes, not revisions.

§807.122. General Information for Courses of Instruction.

- (a) A school submitting applications for approval of seminars shall use abbreviated forms provided by the Commission.
- (b) No class or program shall be approved by the Commission unless the school demonstrates that the program's quality, content, and length reasonably and adequately imparts the job skills and knowledge necessary for the student to obtain employment in the stated occupation.
- (c) A school may not solicit students, otherwise advertise, or conduct classes for a course of instruction prior to the Commission's approval of the course of instruction. Any such activity by the school, prior to the Commission's approval of the course of instruction, shall constitute a misrepresentation by the school and shall entitle each student in the course of instruction to a full refund of all tuition and fees paid by the student and release from all obligations.
- (d) The school shall establish and maintain a formal advisory committee of at least five members, unless the Commission approves a lesser number of persons in advance, for each type of program with course time in excess of 200 hours in length. At least annually, the committee shall evaluate the curriculum, instructional materials and media, equipment, and facilities to ensure they meet the needs of the job market. The school shall have written documentation of the evaluation available for review by the Commission. If the school does not follow an advisory committee recommendation, the school shall maintain written documentation of the justification for not following the recommendation.
- (e) If the applicant requests approval to measure programs in credit hours, the following conversion table shall be used.

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

 - (A) 10 hours of classroom lecture;
 - (B) 20 hours of laboratory experience; or
 - (C) 30 hours of externship.
 - (2) One academic semester credit hour is equal to a minimum course time of:

 - (A) 15 hours of classroom lecture;
 - (B) 30 hours of laboratory experience; or
 - (C) 45 hours of externship.

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

§807.123. Applications for Additional Courses of Instruction.

- (a) A school applying for approval of an additional course of instruction, after receiving an original certificate of approval, shall submit a complete application that includes:
 - (1) the appropriate fee;
 - (2) a completed application for approval on forms provided by the Commission;
and
 - (3) any other revisions or evidence as requested by the Commission.
- (b) The Commission may require an abbreviated program application if:
 - (1) the school has the exact program approved at another location;
 - (2) the program objective changes;
 - (3) the program length changes 25% or more; or
 - (4) the school's completion and employment rates are exemplary, as determined by the Commission.
- (c) The Commission may deny an application for approval of an additional course of instruction if the school is not in full compliance with the Act or this chapter.

§807.124. Stated Occupation.

- (a) The school shall ensure that each program prepares the student for the stated occupation.
- (b) The school shall demonstrate that a student who successfully completes the program is more likely to be employed in the stated occupation than an individual who does not complete the program, all other things being equal.
- (c) The school shall identify a demonstrable occupational demand for the stated occupation. The Commission may consider the following in evaluating the school's statement of occupational demand:
 - (1) publications of established relevant occupational associations;

- (2) targeted occupation lists of boards, if approved by the Commission, or other local or state entities;
- (3) references to advertisements in media for employment;
- (4) occupation employment rate of students;
- (5) percentage of graduating students who have previously completed the same or substantially similar program and who have obtained employment in the same or substantially similar stated occupation for which they have been trained;
- (6) relative supply and demand for the stated occupation, including letters from potential employers that describe their need for trained employees; and
- (7) reports or publications relating to the specific occupational demand.

§807.125. Curriculum Content.

(a) The school shall:

- (1) provide competency-based programs;
- (2) assess skills using primarily performance-based methods;
- (3) use instructional media, methods, and materials appropriate for the program content and students' knowledge and abilities;
- (4) offer programs in a logical sequence of knowledge and skills; and
- (5) if deemed appropriate by the Commission, provide an externship or a simulation of the workplace for the program.

(b) Each class in the program shall teach the practical skills and knowledge required for employment in the stated occupation. The proportion of lecture, laboratory, and externship hours for each class and for the program shall be reasonable for the skills and knowledge to be learned for the stated occupation.

(c) The Commission may use or validate existing skill standards or competencies, or develop statewide skill standards with the assistance of industry, schools, and other relevant entities as determined by the Commission.

§807.126. Curriculum Length.

(a) Each class submitted for approval shall identify the course time or credit hours allocated to that class. A class or program that exceeds a length reasonable to prepare the student for the stated occupation shall not be approved.

- (b) The Commission may establish minimum and maximum program lengths for stated occupations consistent with the intent of the Act.

§807.127. Program Title.

- (a) Each program submitted for approval shall be identified by a title.
- (b) The title shall clearly identify the stated occupation and shall be a title commonly used by business or industry.
- (c) The Commission shall not approve false, misleading, or deceptive program titles.

§807.128. Equipment.

- (a) Equipment required for instruction shall be comparable to that commonly found in the stated occupation.
- (b) The school shall remove equipment not in working order from the instructional area, mark it as out-of-order, or properly identify it as awaiting repair.
- (c) The school shall provide equipment of sufficient quality and quantity to meet the maximum use requirements of the current students, as demanded by the activity patterns of the training program.

§807.129. Facilities.

- (a) In determining adequate space for lecture and laboratory experiences, the Commission shall consider that the amount of lecture and laboratory space meets the use requirements of the maximum number of current students in class with appropriate seating facilities and/or workstations, as needed by the activity patterns of the program.
- (b) Enrollment shall not exceed the design characteristics of the available workstations.

§807.130. Admission Requirements Relating to Programs.

- (a) The school shall submit, for approval by the Commission, its admission requirements for each program with justification for the requirements.
- (b) The school shall ensure that the student demonstrates to the school sufficient proficiency in the language of instruction to successfully complete the training program.

§807.131. School Responsibilities Regarding Programs.

- (a) As a condition of program approval or renewal, the school shall identify any portion of instruction that is self-paced or not conducted in English.
- (b) To maintain program approval, the school shall demonstrate the following:
 - (1) a reasonable student completion rate for each program; and
 - (2) a minimum employment rate for program graduates in jobs related to the stated occupation.
- (c) When a school is approved to offer a program, the school shall maintain sufficient instructors to teach all subjects for completing the program during the length of time stipulated in the school catalog, regardless of the size of the class.
- (d) The school shall schedule classes so that students will be able to complete the program during the length of time stipulated in the school catalog.
- (e) The school shall ensure that students receive the lecture and laboratory experience hours with sufficient instructors and scheduling. An instructor may not be simultaneously supervising a laboratory experience and a lecture even if they are in the same room.
- (f) A school shall provide course outlines to students at the beginning of each subject which lists students' performance objectives, references and resources, and a general content outline for the subject.
- (g) A school shall have and use lesson plans for all subjects.
- (h) A school may not use classes from one or more approved programs to create a new program and award a certificate of completion without prior approval.
- (i) The student-to-instructor ratio shall be sufficient for students to learn, practice, and demonstrate the necessary knowledge and skills. These ratios may be varied at the discretion of the Commission to conform to conditions in an individual school. The following student-instructor ratios may be acceptable for single classes:
 - (1) business lecture or laboratory--30 to one;
 - (2) technical, vocational, or allied health lecture--30 to one;
 - (3) technical lab (examples: computer programming, data processing, electronics)--20 to one;
 - (4) vocational lab (examples: auto mechanics, air conditioning and refrigeration, drafting)--20 to one; and

(5) intensive language instruction (beginning)--15 to one; (intermediate to advanced)--20 to one.

§807.132. Program Revisions.

- (a) The school shall submit a revised program application for any proposed changes in the program that shall be reflected in the school catalog's program information.
- (b) The school shall receive approval of proposed program revisions in writing from the Commission before implementing the revisions.
- (c) The school shall work closely with employers in its job market to ensure that the program meets employers' needs.

§807.133. Program Requirements for Degree Granting Schools.

A school shall provide evidence to the Commission that they are authorized by the Coordinating Board to offer degree programs.

§807.134. Penalties Relating to Courses of Instruction.

- (a) If an approved course of instruction is discontinued for any reason, the Commission shall be notified within 72 hours of discontinuance and furnished with the names and addresses of any students who were prevented from completion of the course of instruction due to discontinuance. Should the school fail to make arrangements satisfactory to the students and the Commission for the completion of the course of instruction, the full amount of all tuition and fees paid by the students are then due and refundable. Any course of instruction discontinued will be removed from the list of approved courses of instruction.
- (b) The Commission may suspend enrollments in a particular course of instruction at any time the Commission finds cause. For purposes of this subsection, cause includes, but is not limited to:
 - (1) inadequate instruction;
 - (2) unapproved or inadequate curriculum;
 - (3) inadequate equipment; or
 - (4) inadequate facilities.
- (c) If a school begins teaching a course of instruction or revised course of instruction that has not been approved by the Commission, the Commission may require the school to refund to the enrolled students all or a portion of the tuition fees.

- (d) If upon review and consideration of an original, renewal, or revised application for course of instruction approval, the Commission determines that the applicant fails to meet the requirements in the Act or this chapter, the Commission shall notify the school, setting forth in writing the reasons for the denial. This may include summaries of peer evaluations from both educators and employers offering similar courses of instruction.
- (e) The Commission may revoke approval of a school's course of instruction at any time the Commission finds cause. For purposes of this subsection, cause includes, but is not limited to:
- (1) any statement contained in the application for the course of instruction approval which is untrue;
 - (2) the school's failure to maintain the instructors, facilities, equipment, or courses of instruction, or course of instruction outcomes on the basis of which approval was issued;
 - (3) advertising made on behalf of the school which is false, misleading, or deceptive, including those that use the word "associate" to describe a degree other than those approved by the Coordinating Board;
 - (4) courses of instruction without clearly stated limited transferability if there are no articulation agreements with other postsecondary institutions in the same geographic area;
 - (5) courses of instruction for which financial aid is advertised but is not available;
 - (6) repeated violations by the school that negatively impact the quality of a particular course of instruction; or
 - (7) violations by the school of any applicable provision of the Act or this chapter.
- (f) A school whose course of instruction approval is denied or revoked shall have the right to appeal. The Commission will conduct hearings in accordance with Commission policies and procedures applicable to the appeal.

SUBCHAPTER I. APPLICATION FEES AND OTHER CHARGES

§807.151. Fee Schedule.

The Commission shall collect fees according to the following schedule.

- (1) The initial fee for a certificate of approval for a small school is \$1,001.
- (2) The initial fee for any other school is \$3,000.

- (3) In the event of a change in ownership of the school, the new owner shall pay the same fee as that charged for an initial fee for a school.
- (4) The initial registration fee for a representative is \$90.
- (5) The annual renewal fee for a representative is \$45.
- (6) The fee for a change of name of the school or owner is \$150.
- (7) The fee for a change of address of a school is \$270.
- (8) The fee for a change in the name or address of a representative or a change of the name or address of a school that causes the reissuance of the notice of permitted representative is \$15.
- (9) The application fee for a course of instruction that is an additional program is \$225.
- (10) The application fee for a course of instruction that is a seminar program is \$35.
- (11) The application fee for a school director, administrative staff member, or instructor is \$20.
- (12) The fee for an inspection of classroom facilities that are separate from the main campus is \$375.
- (13) The fee for an investigation of a complaint against a school is \$400, if assessed.

§807.152. Renewal Fees.

- (a) For small schools, if a certificate of approval is issued for more than one year, the renewal fee is \$1,001, which may be paid with \$501 the first year and \$250 on the anniversary date of the certificate for each subsequent year.
- (b) For all other schools, the renewal fee is based on the gross amount minus refunds of annual student tuition and fees. The renewal fee is the greater of:
 - (1) 0.31% of the school's gross tuition and fees, excluding refunds as provided by the Act; or
 - (2) \$500.

- (c) For all schools, the Commission shall assess a penalty of 10% of the renewal fee, not less than \$200 or more than \$1,000, if the school fails to file a complete application for renewal at least 30 days before the expiration date of the certificate of approval.

§807.153. Installment Payments.

- (a) With the exception of the renewal installment schedule for small schools, a school may elect to pay any single fee in excess of \$1,000 by quarterly installment. A service charge of 10% of the fee shall be added, and the total divided into equal quarterly installment payments. The first payment shall be due on the date the fee is due. The successive payments shall be due in 90-day increments.
- (b) Failure to pay any installment by the due date may result in one or more of the following:
- (1) a penalty being assessed in the amount of 50% of the total amount of the fee;
 - (2) full payment of the penalty and outstanding balance due within 30 days; or
 - (3) suspension of participation in the installment payment plan for the next renewal period.

SUBCHAPTER J. ADVERTISING

§807.171. General Information for Advertising.

- (a) A school shall not make deceptive statements in attempting to enroll students.
- (b) The Commission may require a school to furnish proof to the Commission of any of its advertising claims, when requested.

§807.172. Advertisement Method.

- (a) A school may advertise for prospective students under "instruction," "education," "training," or a similarly titled classification.
- (b) A school shall not be advertised under any "help wanted," "employment," or similar classification.
- (c) No school advertisements shall use the word "wanted," "help wanted," or "trainee," either in the headline or the body of the advertisement, nor shall any advertisement indicate, in any manner, that the school has or knows of employment of any nature available to prospective students; only "placement assistance," if offered, may be advertised.

- (d) A school shall not use terms to describe the significance of the approval that specify or connote greater approval. Terms that schools may not use to connote greater approval by the Commission include, but are not limited to, "accredited," "supervised," "endorsed," and "recommended." A school shall not use the words "guarantee," "guaranteed," or "free" unless approved in writing by the Commission.
- (e) Any advertisement that includes a reference to awarding of credit hours shall include the statement, "limited transferability." Where a school has an arrangement with a college or university to accept transfer hours, such information may be advertised, but any limitations shall be included in the advertisement.

§807.173. Advertisement Content.

- (a) Advertisement content shall include, and clearly indicate, the full and correct name of the school and its address, including city, as they appear on the certificate of approval.
- (b) Advertisements shall not include:
 - (1) statements that the school or its programs are accredited unless the accreditation is that of an agency recognized by the United States Department of Education;
 - (2) statements that the school or its courses of instruction have been approved unless the approval can be substantiated by an appropriate certificate of approval issued by an agency of the state or federal government; or
 - (3) representation of the school as an employment agency under the same name, or a confusingly similar name, or at the same location of the school.
- (c) A school holding a franchise to offer specialized programs or classes not available to other schools shall not advertise such programs in such a manner as to diminish the value and scope of programs offered by other schools not holding such a franchise. Advertising of special classes or programs offered under a franchise shall be limited to the classes or programs offered.
- (d) A school shall not use endorsements, commendations, or recommendations by students in favor of a school except with the consent of the student and without any offer of financial or other material compensation. Endorsements shall bear the legal or professional name of the student.
- (e) A school shall not use a photograph, cut, engraving, illustration or graphic in advertising in such a manner as to:
 - (1) convey a false impression of size, importance, or location of the school, equipment, or facilities associated with the school, or

- (2) circumvent any of the requirements of this chapter regarding written or oral statements.
- (f) Every advertisement must clearly indicate that training is being offered, and shall not, either by actual statement, omission, or intimation, imply that prospective employees are being sought.

§807.174. Financial Incentives.

- (a) Advertisements shall not:
 - (1) state that students shall be guaranteed employment while enrolled in the school;
 - (2) state that employment shall be guaranteed for students after graduation; or
 - (3) misrepresent opportunities for employment upon completion of any program.
- (b) Advertisements shall not contain dollar amounts as representative or indicative of the earning potential of graduates unless those dollar amounts have been published by the United States Department of Labor. This provision shall not be construed as prohibiting the school from providing earning potential to the student individually on the student's receipt of enrollment policies or other such Commission-approved document.
- (c) Advertisements for student tuition loans shall:
 - (1) contain the language "financial aid available, if qualified"; and
 - (2) appear in type no larger than the font used for the name of the school and in similar color and style.
- (d) Advertising of student tuition loans as described in this section does not preclude disclosure of the school's eligibility under the various state and federal loan programs.

§807.175. Catalog.

- (a) The catalog shall include the following:
 - (1) table of contents or index;
 - (2) name and complete street address of the school;
 - (3) volume number, date of publication, and effective dates;

- (4) history of any accreditations or approvals, including statement of approval and regulation by the Commission;
 - (5) description of space, facilities, and equipment;
 - (6) list of all trustees, directors, officers of the corporation, and owners;
 - (7) list of management staff and faculty, including education relating to the areas of instruction;
 - (8) tuition, fees, other charges, and applicable scholarship terms;
 - (9) school calendar;
 - (10) school hours of operation and class schedule, including the amount of time allocated for breaks and mealtimes;
 - (11) policies regarding enrollment, including entrance requirements, previous education credit, cancellation and refund, progress, attendance, leave of absence, and conduct;
 - (12) veterans administration refund policy, if applicable;
 - (13) description of courses of instruction, including the number of hours of course time of a seminar, seminar topic, lecture, lab, and externship, as well as credit hours in each class, if applicable;
 - (14) description of each class;
 - (15) description of the grading policy, including requirements for graduation;
 - (16) description of placement assistance, if available;
 - (17) statement of policies regarding grievances; and
 - (18) a statement signed by the owner or director indicating that all of the information contained in the catalog is true and correct.
- (b) Any classes defined as self-paced shall be noted as such in the catalog.

§807.176. Advertisement Monitoring.

- (a) The Commission may order corrective action to counteract the effect of advertising in violation of the Act or rules, including:

- (1) retraction by the school of such advertising claims published in the same manner as the claims themselves; and
 - (2) cancellation of telephone numbers without an automatic forwarding message.
- (b) As corrective action for violations of the Act or rules, the Commission may require schools to submit all advertisements to the Commission for pre-approval at least 30 days before proposed submission of the advertisements to the advertising medium.
 - (c) Nothing in these guidelines shall prohibit release of information to students as required by a state or federal agency.

SUBCHAPTER K. ADMISSION

§807.191. General Information for Admission.

- (a) The Commission may approve specific admission requirements for seminars and small schools.
- (b) Small schools with programs with course time of 40 hours or less, individual class offerings, and seminars are not required to grant credit for previous education and training.
- (c) The school shall make appropriate adjustments to the program length and price based upon credit granted for previous education and training, where warranted.
- (d) For a school having specific term-beginning dates, a school may not start students after the third day of classes during any given term, except in those cases where appropriate credit for previous education and training has been given according to the Act and this chapter.
- (e) A continuously enrolled student has the right to graduate under the academic requirements stated in the catalog in effect at the time of the student's enrollment.

§807.192. Admission Requirements.

- (a) The school shall require for admission into its programs proof of one of the following:
 - (1) secondary education;
 - (2) successful completion or the equivalent of one full-time academic semester (12 academic semester hours) or academic quarter (18 academic quarter hours) at an accredited college, university, or other postsecondary school; or

- (3) for certificate programs only, proven ability-to-benefit by obtaining a satisfactory score on the approved entrance test.
- (b) Entrance test requirements shall be in accordance with the following provisions.
- (1) Any entrance test shall be a nationally recognized standardized test or a nonstandardized test developed by the appropriate industry and approved by the Commission. A nonstandardized test shall be validated by a qualified third party, such as an expert in tests and measurements, for both appropriateness and the specific score level required for admission into the program. The name of the test and its publisher, any time limitations, a minimum acceptable score, and an explanation of score meanings, as referenced in the test material, shall be provided to the student with a copy of the test, if the test is not already on file with the Commission.
- (2) If multiple opportunities are allowed for retaking the same entrance test, such students shall wait a minimum of five calendar days prior to retaking the test. A student may take a second entrance test on the same day provided a substantially different test is administered. This shall be stated in the admissions policy published in the school catalog.
- (3) A representative is not allowed to administer the test, nor is anyone allowed to assist the student in answering the questions.
- (4) If the entrance test reveals the student to be ineligible as an ability-to-benefit student, the student may be enrolled as a remedial student. The school shall have an evaluation procedure approved by the Commission to determine remedial needs and to determine when the required level of remediation has been reached. The school shall also have a remediation plan for such students consisting of classes approved by the Commission as a part of the program. The students may be charged for the remedial portion of the program on an hourly pro rata basis, but the student is not obligated for the tuition and fees of the program until the entrance requirements are met.
- (c) Evidence shall be maintained in each student's file to show the admissions requirements have been met. A full refund of all monies paid and a full release from all obligations shall be due, as determined by the Commission, to any student for whom the school cannot establish that the admission requirements were met.

§807.193. Receipt of Enrollment Policies.

- (a) For all enrollments other than for seminars, individual classes, and small schools with programs of course time of 40 hours or less, each school shall use form provided by the Commission to verify the prospective student's receipt of the information required in this section.

- (b) Unless otherwise required in this chapter, prior to enrollment the school shall furnish the following to each prospective student:
- (1) a school catalog and program outline, unless the prospective student enrolls in a seminar;
 - (2) a schedule of tuition, fees, and other charges;
 - (3) the cancellation and refund policy;
 - (4) the progress and grievance policies and, for non-Title IV schools, attendance policies;
 - (5) the rules of operation and conduct;
 - (6) if available, the average starting salary per pay period and annually for the prospective student's stated occupation, and information regarding the number of job openings in the program objective field in a specified area within the last 12 months, including the name of the information source;
 - (7) the regulations pertaining to incomplete grades;
 - (8) written and verbal information regarding loans and grants and their differences, if the school participates in a loan or grant program;
 - (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) A school does not need an enrollment agreement to enroll a student in a seminar that will be completed within three consecutive calendar days.
- (b) For distance education schools, the enrollment agreement shall specify the amount of time allotted to the student to complete the program.
- (c) A school shall submit an enrollment agreement to the Commission for approval.
- (d) A school shall use only an approved enrollment agreement to enroll students.
- (e) The executed enrollment agreement shall include, but is not limited to, the following:
 - (1) full and correct name and location of the school;
 - (2) program title, tuition, fees, reasonable estimate cost of books and supplies, any other expenses, total cost of the program, items subject to cost change, method of payment and payment schedule, disclosure statement if interest is charged on more than three payments, and detachable buyer's right to cancel if enrollment is procured off campus;
 - (3) date training is to begin and program length;
 - (4) name, address, and signature of the student;
 - (5) student's e-mail address if any part of the instruction or academically related activity is Web based;
 - (6) statement by the school that the student will receive a copy of the school enrollment agreement and catalog at the time of signing by the student;
 - (7) cancellation and refund policy; and
 - (8) a Federal Trade Commission statement for holder in due course, unless no loans, grants, or installment payments are involved.

- (f) The school shall provide a notice of cancellation, attached to the enrollment agreement, for any student enrolled off the school premises. The notice shall:
- (1) be in duplicate;
 - (2) be easily detachable;
 - (3) be printed in boldface type, with a minimum font of 10 point;
 - (4) contain the date of the enrollment agreement, name and address of school, the date on which the statutory 72-hour cancellation privilege will expire, and any other provisions as determined by the Commission;
 - (5) be printed in the same language as used in the enrollment agreement; and
 - (6) be in such a form that can be used by the student to notify the school of the student's desire to cancel by dating, signing, and mailing or otherwise delivering the form to the school's address shown.
- (g) A copy of the enrollment agreement form shall be given to the student and a copy maintained as a part of the student's file.
- (h) The Commission may permit a school to submit an abbreviated enrollment agreement for students enrolled on a reimbursement contract basis.

§807.195. Conduct Policy.

The school shall submit for approval a copy of the rules and regulations pertaining to conduct, which shall include statements regarding:

- (1) conditions for dismissal; and
- (2) conditions for reenrollment of those students dismissed for violating the conduct policy.

§807.196. Tuition and Fees.

- (a) A school shall disclose to potential students all tuition, fees, and other charges, and state such information in the school's application for a certificate of approval. The school may not use an estimated tuition amount, nor may the school increase the student's tuition if the student remains continuously enrolled and completes the training as approved at the time of admission. If the school charges to repeat classes, the amount of the charges must be disclosed to the student.

- (b) A school shall make available for review by the Commission upon request:
- (1) a description of the methods of payment that are available to enrolling students;
 - (2) the names and addresses of lending institutions used by the school for student tuition loans; and
 - (3) the true annual percentage rate and any other fees or charges associated with student tuition loans.
- (c) A school shall refund or forfeit any tuition, fees, or other charges not previously disclosed to the Commission.
- (d) A school may offer scholarships providing the terms of scholarships are disclosed to the Commission.
- (e) The school shall maintain, in a permanent format that is acceptable and readily accessible to the Commission, a record of any funds received from, or on behalf of, the student. A school shall clearly identify the payor, the type of funding, and the reason for the charges. These records shall be posted and kept current.
- (f) A school shall issue written receipts of any charges or payments to the student and maintain such records for review upon request by the Commission. Each separately charged item shall be clearly itemized on a student-signed receipt.

§807.197. Admission Requirements for Degree Granting Schools.

- (a) Students who transfer from other postsecondary schools shall complete at least 20 academic semester hours or 30 academic quarter hours in residency at the school that will grant the degree. This does not apply to transfers within the same school system.
- (b) A school shall allow students attending at the time a school becomes a degree granting school to earn a degree, providing the student:
- (1) meets all the prerequisites for acceptance into the degree program; and
 - (2) satisfactorily completes all courses or equivalent courses of the degree program.
- (c) Former students shall meet all the prerequisites for acceptance into the degree program and shall satisfactorily complete all courses or equivalent courses in the approved degree program to qualify for a degree.

SUBCHAPTER L. PROGRESS STANDARDS

§807.221. General Requirements for Progress Standards.

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

§807.222. Progress Requirements for Residence Schools.

- (a) For programs with course time of 40 hours or less, the school is only required to give a final exam at the end of the program to determine whether the student has sufficient knowledge to warrant a certificate of completion, in lieu of a progress evaluation.
- (b) For programs with course time of 41 to 200 hours, the school shall record a student's grades at the midpoint and end of each progress evaluation period. A student not making satisfactory progress at the midpoint shall be placed on academic probation for the remainder of the progress evaluation period. If the student does not achieve satisfactory progress by the end of the probationary period, the student's enrollment shall be terminated.
- (c) For schools approved on a course time basis and offering programs in excess of 200 hours, the school shall evaluate progress at least every eight weeks. A school approved on a credit hour basis shall evaluate progress at the midpoint and end-of-term for academic semester or academic quarter or at least every eight weeks. For programs with course time in excess of 200 hours, the following shall apply.
 - (1) The school shall place a student making unsatisfactory progress for the program at the end of a progress evaluation period on academic probation for the next progress evaluation period. If the student on academic probation achieves satisfactory progress for the subsequent progress evaluation period,

but does not achieve the required grades to meet overall satisfactory progress for the program, the student may be continued on academic probation for one more progress evaluation period.

- (2) If a student on academic probation fails to achieve satisfactory progress for the first probationary progress evaluation period, the student's enrollment shall be terminated.
- (3) The enrollment of a student who fails to achieve overall satisfactory progress for the program at the end of two successive probationary progress evaluation periods shall be terminated.
- (d) When a student is placed on academic probation, the school shall counsel the student prior to the student returning to class. The date, action taken, and terms of probation shall be clearly indicated in the student's permanent file.
- (e) The school may allow a student whose enrollment was terminated for unsatisfactory progress to reenroll after a minimum of one progress evaluation period. Such reenrollment does not circumvent the approved refund policy.
- (f) The school shall place a student who returns after their enrollment was terminated for unsatisfactory progress on academic probation for the next grading period. The school shall advise the student of this action and document the student's file accordingly. If the student does not demonstrate satisfactory progress at the end of this probationary period, that student's enrollment shall be terminated.

§807.223. Progress Requirements for Distance Education Schools.

- (a) Distance education schools shall evaluate progress as the school receives each lesson assignment. The school shall maintain the record of progress on forms approved by the Commission. Forms shall include:
 - (1) the date course materials are mailed to the student;
 - (2) the date the lesson assignment is received from the student;
 - (3) the grade on a per-lesson basis;
 - (4) the instructor's name;
 - (5) the date graded assignments are returned to the student; and
 - (6) the final grade for the program with completion date indicated.
- (b) If at the end of the time period specified in the enrollment agreement, the student has not completed the program, the student's enrollment shall be terminated.

§807.224. Progress Requirements for Degree Granting Schools.

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

- (1) a student progress evaluation every academic semester, academic quarter, or at least every eight weeks in block-time programs;
- (2) a minimum grade point average for graduation from all degree programs of 2.0 based on a 4.0 scale, and that a student achieve a passing grade in all required classes;
- (3) a probationary period of one academic semester, academic quarter, or approved grading period following the end of the academic semester, academic quarter, or approved grading period in which the student's grades become unsatisfactory; and
- (4) provisions for termination at the end of not more than two consecutive probationary periods if the student's cumulative grade point average does not improve to the level required for graduation.

SUBCHAPTER M. ATTENDANCE STANDARDS

§807.241. General Requirements for Attendance.

- (a) Seminar programs that begin and end during one day are not required to maintain an attendance policy.
- (b) Title IV schools are not required to take attendance.
- (c) The Commission may approve specific attendance requirements for self-paced, competency-based programs.
- (d) No provision in this subchapter shall require a school to terminate the enrollment of a student for lack of attendance at a point at which a refund would not be due.
- (e) A school shall charge for a full day of absence when the student fails to attend all of the scheduled classes on that day. The school shall charge for a partial day of absence for any period of absence during the day.
- (f) A school shall not consider school holidays, such as summer vacation and Christmas holidays, etc., as days of absence.

§807.242. Attendance Requirements for Degree Granting Schools.

- (a) The following requirements are for non-Title IV schools and Title IV schools that voluntarily take attendance.
- (b) For a school offering degree programs, the attendance standards shall include the following:
 - (1) provisions for termination or probation during the next academic quarter, academic semester, or approved term when a student is absent for more than 20% of the scheduled course time hours during an academic quarter, academic semester, or approved term;
 - (2) provisions for termination when a student is absent for more than 20% of the scheduled course time hours during the probationary academic quarter, academic semester, or approved term; and
 - (3) provisions for termination prior to the last quarter, when a student is absent in excess of 10 consecutive school days or 20% of the total course time hours in the course, whichever occurs first.

§807.243. Termination of Enrollment.

- (a) A school shall terminate the enrollment of a student who accumulates the lesser of the following amounts of absences:
 - (1) more than 10 consecutive school days;
 - (2) more than 20% of the total course time hours in a program with course time of more than 200 hours;
 - (3) more than 25% of the total course time hours in a program or individual class with course time of 41 to 200 hours;
 - (4) more than 25% of the total course time hours for seminars, individual classes, or programs with course time of 40 hours or less; or
 - (5) any number of days if the student fails to return as scheduled from an approved leave of absence.
- (b) A Title IV school that does not voluntarily take attendance shall terminate the enrollment of a student if the student's participation in an academically related activity cannot be documented:
 - (1) at the end of the first week of the academic term;
 - (2) at the end of the first month of the academic term;

- (3) at the midpoint of each academic term; and
- (4) at the end of each academic term.
- (c) For purposes of this section, "month" is defined as four weeks.
- (d) 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% of the total course time hours for a program may be made up.
- (b) The school shall submit make-up work policies to the Commission 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 and small schools with programs with course time of 40 hours or less shall not grant leaves of absence.
- (b) A school director may grant a leave of absence after determining that good cause is shown.
- (c) In a 12-month calendar period, a student may have no more than two leaves of absence. For a program with course time of 200 hours or less, a student may be on leave of absence for a total of 30 calendar days. For programs with course time of more than 200 hours, a student may be on leave of absence for a total of 60 calendar days.

- (d) School attendance records shall clearly define the dates of the leave of absence. A written statement as to why the leave of absence was granted, signed by both the student and the school director indicating approval, shall be placed in the student's permanent file.
- (e) In addition to the requirements concerning leaves of absence in this subchapter, a school offering degree programs that schedules their courses on an academic quarter or academic semester basis may include in their attendance policies provisions for summer leaves of absence. These leaves of absence shall not exceed the lesser of 120 days or the interval between the end of the spring academic quarter or academic semester and the start of the fall academic quarter or academic semester.

SUBCHAPTER N. CANCELLATION AND REFUND POLICY

§807.261. Right to Cancel after Tour.

- (a) Distance education, combination distance education-residence, and seminars are not required to provide the student a tour.
- (b) Any potential student who has not been provided the opportunity to tour the school facilities and inspect the equipment before signing an enrollment contract has an additional three days, excluding Saturdays, Sundays, and legal holidays, following a tour and inspection to cancel enrollment and request a full refund of any money paid to the school and release from all obligations. The student shall sign and date an acknowledgement form certifying the completion of the tour.

§807.262. Consummation of Refund.

- (a) A school shall document refunds by written record indicating the date of the refund transaction, the name of the student receiving the refund, the total amount refunded, and the specific reason for the refund. Proof of consummation shall be on file within 120 days of the effective date of termination and shall include:
 - (1) copies of both sides of the cancelled check;
 - (2) printed proof of completed transaction of electronic funds transfer or other similar electronic means; or
 - (3) documentation of an awarded credit to a credit card or other similar account.
- (b) To ensure a school's good faith effort to timely consummate a refund owed directly to a student, the student's file shall contain evidence of the following proof of a certified mailing of the refund to the:
 - (1) student's last known address;

- (2) student's permanent address, if different from the student's last known address; or
 - (3) address of the student's parent or legal guardian, if different from the student's last known and permanent addresses.
- (c) If after making a good faith effort to timely consummate a refund, the school is unable to consummate the refund, the school shall forward to the Commission the appropriate refund amount and any pertinent student information to assist the Commission in locating the student.

§807.263. Refund Requirements for Residence Schools.

- (a) Students are entitled to a full refund for classes attended if the school does not provide a class with:
- (1) an approved instructor;
 - (2) an instructor for whom an application has been properly submitted to the Commission; or
 - (3) a temporary instructor for whom the school submitted notice to the Commission.
- (b) If a class has no instructor for more than one class period, students are entitled to a full refund for each such class attended.
- (c) The length of a program, for purposes of calculating refunds owed, is the shortest scheduled time period in which the program may be completed by continuous attendance of a full-time student.
- (d) A non-Title IV school, or a Title IV school voluntarily taking attendance, shall calculate refunds for students based upon scheduled hours of classes through the last date of attendance. A Title IV school shall calculate refunds for students based upon scheduled hours of classes through the last documented day of an academically related activity. Neither type of school shall count leaves of absence, suspensions, school holidays, days when classes are not offered, and summer vacations for purposes of calculating a student's refund.
- (e) For all schools other than distance education, combination distance education-residence, and seminars, a student may cancel enrollment, request a full refund, and request a release from any obligations to the school within three days, excluding Saturdays, Sundays, and legal holidays following:

- (1) the first day of the student's scheduled classes if the student is not provided an opportunity to tour the school facilities, which includes inspection of equipment, before signing an enrollment contract; or
- (2) the day the tour of the school facilities, including inspection of the equipment, is completed, when provided before the first day of the student's scheduled classes.

§807.264. Penalties Relating to Refunds.

- (a) A penalty shall be paid on any refund not consummated in a timely manner as required by the Act. The penalty assessment shall begin on the first day following the expiration of the statutorily defined refund period and end on the day preceding the date the refund is consummated.
- (b) Penalties assessed on late refunds for grants shall be paid to the tuition trust account if the amount is \$15 or less. Any other penalty assessed on a school's late payment of student refunds shall be disbursed in the following order of priority:
 - (1) to the student's account at a lending institution for the balance of principal and interest on the student loan;
 - (2) to the student for tuition and fees paid directly by the student; and
 - (3) to the tuition trust account for any remaining balance of assessed penalty.
- (c) If the Commission determines that the method used by the school to calculate refunds is in error or the school does not routinely pay refunds within the time required by the Act, the school shall submit an audited report conducted by an accountant of the refunds due former students that includes any penalty due as specified in the Act. An audit opinion letter shall accompany a schedule of student refunds due, which discloses the following information for the four years prior to the date of the Commission's request:
 - (1) student information, including name, address, and social security number;
 - (2) pertinent dates, including last date of attendance and date of termination; and
 - (3) refund information, including amount of refund with principal, penalty, and any balance due separately stated, payee, and date and check number of payment if payment has been made.

SUBCHAPTER O. RECORDS

§807.281. General Information for Records.

- (a) A school shall permanently maintain a master student registration list (MSRL). If the school maintains the MSRL in electronic form, the school must be able to produce a printed copy immediately upon request. The MSRL must contain at least the following information:
- (1) date of applicable entry;
 - (2) name of student;
 - (3) address of student including city, state, and zip code;
 - (4) telephone number;
 - (5) social security number;
 - (6) date of birth; and
 - (7) name of program.
- (b) A school shall maintain current records and necessary data for each student required to be on the master student registration list to show compliance with the Act and this chapter. These records shall be:
- (1) maintained on-site; and
 - (2) made available to the Commission for inspection.
- (c) If applicable, the school shall maintain and ensure that copies of the accreditation authorization and letter of eligibility from the United States Department of Education are available for Commission review.
- (d) Degree granting schools shall maintain a copy of the certificate of authorization from the Coordinating Board for each authorized degree program.
- (e) The Commission may conduct unannounced compliance inspections.
- (f) A school shall maintain complete records of all advertising, sales, and enrollment materials used by or on behalf of the school for a five-year period. Materials maintained shall include, but not be limited to, direct mail pieces, brochures, printed literature, films, leaflets, handbills, fliers, video and audiotapes disseminated through the broadcast media, materials disseminated through the print media or Internet, and sales and recruitment manuals used to instruct sales personnel.

§807.282. Student Records.

- (a) A school shall permanently maintain student transcripts of academic records. A school shall provide such transcripts to students and prospective employers at a reasonable charge if the student has fulfilled the financial obligation to the school and is neither in default nor owes a refund to any federal or state student financial aid program.
- (b) A school shall retain financial records in accordance with federal retention requirements.
- (c) A school shall retain all student records for at least a five-year period and these records shall include:
 - (1) a written record of previous education and training on a form provided by the Commission; and
 - (2) official transcripts from all previous postsecondary schools attended by the student.

§807.283. Attendance Record Keeping.

- (a) The following requirements are for non-Title IV schools:
 - (1) A school offering seminars or other programs where students do not change instructors during the school day is not required to maintain a separate master record of attendance.
 - (2) A school shall maintain a master record of attendance on each student that clearly indicates the number of scheduled hours each day and the hours of absence.
 - (3) Each instructor shall maintain a record of attendance, which shall indicate a positive record of each student's attendance. Entries in the record of attendance shall be made in ink or other permanent medium, including other permanent computer records, and shall not be changed in a manner that precludes reading the original entry.
- (b) The following requirements are for Title IV schools:
 - (1) The school shall maintain a form signed and dated by the student to document the student's participation in an academically related activity. An e-mail sent from the student's e-mail account listed on the enrollment agreement fulfills this requirement.
 - (2) The school shall maintain a master record for each student that clearly indicates the student's class schedule as well as the number of scheduled hours

for each class day. For synchronous distance education students, the record shall indicate the number of scheduled hours for each week.

(c) Nothing in this chapter prevents a Title IV school from voluntarily using attendance as a manner of fulfilling the requirements of this chapter.

§807.284. Employment Records.

(a) A school offering programs approved for an occupational objective shall complete the labor market information survey on forms provided by the Commission and submit them on or before the date provided in the survey packet as requested by the Commission.

(b) A school shall report program completion, job placement, and employment data on an annual basis in each program approved for an occupational objective.

(1) The school shall provide the data in a form acceptable to the Commission.

(2) Verifiable documentation shall be made available for review to support data reported. The documentation shall include the names of graduates and the names, addresses, and telephone numbers of their employers.

SUBCHAPTER P. COMPLAINTS

§807.301. School Policy Regarding Complaints.

The school shall:

(1) submit a written grievance procedure designed to resolve disputes between current and former students and the school for Commission approval;

(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; and

(4) diligently work to resolve all complaints at the local school level.

§807.302. Complaints and Investigations.

(a) The Commission may investigate a complaint about a school and 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; and
 - (5) any other reasonable matter deemed appropriate.
- (b) The Commission may require documentation or other evidence of the violation before initiating a complaint investigation.
- (c) The investigation fee authorized by the Act is based on a per site visit. The school director shall be notified that an on-site visit was conducted when the investigation results in assessment of a fee.

SUBCHAPTER Q. TRUCK DRIVER TRAINING PROGRAMS

§807.321. General Information Regarding Truck Driver Training.

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

§807.322. Truck Driver Instructor Development Course.

- (a) A school shall apply to the Commission for approval to provide a truck driver instructor development course.
- (b) The instructor development course shall consist of 40 hours of course time, which includes at least the following topics.
- (1) Five hours shall cover techniques of instruction including: qualities of a competent instructor, the learning process, methods of teaching, development of efficient teaching habits, demonstration teaching, the use of instruction material and training aids, course preparation, lesson plans, testing and evaluation, and the duration and frequency of lessons.
 - (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, etc.;
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 and gauges; compartment adjustments--seat, ventilation, mirrors, headrests, seat belts, and shoulder harness; starting the engine and warm-up procedures; safety devices--door locks, headrests; and miscellaneous features--windshield wipers, heater, and defroster.
- (8) Two hours shall cover behind-the-wheel elementary lessons with demonstration in an appropriate vehicle and practice to be performed in the

presence of the instructor including: starting; steering; stopping; shifting gears; backing; turning--right and left; and parking and starting on grade.

- (9) Six hours shall cover behind-the-wheel driving safety lessons with demonstration in an appropriate vehicle and practice to be performed in the presence of the instructor including: developing good seeing habits; speed control; safe following; lane driving and lane changing; intersections and right-of-way; proper signaling; correct turn procedures; detecting of and handling problems--vehicle, cycle, pedestrian; freeway driving--ramp use, entering, exiting, lane use, emergency stopping; parking procedures; entering traffic from parked position; and night driving.
- (10) Two hours shall cover school and instructor approval requirements including the following: school approval requirements, instructor approval requirements, classroom and automotive equipment requirements, required student records, contract requirements, and department of instructors.
- (11) Two hours shall cover specialized training regarding the following: students with physical, mental, or emotional handicaps; illiterate students; non-English-speaking students; and habitual violators and problem drivers.

§807.323. Behind-the-Wheel Instruction.

A school providing behind-the-wheel instruction shall ensure that the instruction includes:

- (1) actual driving practice while the motor vehicle is in motion;
- (2) no more than four persons, excluding the instructor, occupying any motor vehicle during the behind-the-wheel instruction;
- (3) notice in all contracts and advertisements of behind-the-wheel instruction being conducted with groups of students, if applicable; and
- (4) credit toward satisfying minimum standards for behind-the-wheel instruction for only actual time spent behind the wheel in vehicle operation.

§807.324. Motor Vehicle Insurance.

A school providing truck driver training shall ensure that:

- (1) a current list of vehicles used in truck driver training is filed with the Commission on a form provided by the Commission;

- (2) an insurance certificate accompanies each motor vehicle used in training and is filed with the Commission on or before the date the school files an original or renewal application for approval of the program with the Commission;
- (3) an insuring company or carrier issues an insurance certificate on a form furnished by the Commission directly to the Commission, which states the insurance company or carrier has issued a policy or policies of insurance, and the amounts of insurance for each vehicle listed on the list of vehicles used in truck driver training;
- (4) a written notice is provided to the Commission by registered or certified mail at least 10 days prior to the expiration date of insurance coverage of a listed vehicle; and
- (5) a copy of the written notice of cancellation of insurance on any listed vehicle is provided to the Commission by registered or certified mail immediately upon receipt of notice by the school.

§807.325. Prohibited Activities Regarding Truck Driver Training.

- (a) A school, a trainer of truck driver instructors, or a truck driver instructor shall not:
 - (1) allow an instructor to give instruction or allow a student to secure instruction in the classroom or in a motor vehicle if that instructor or student is using or exhibits any evidence or effect of an alcoholic beverage, controlled substance, or other such impairment;
 - (2) permit a student to operate a motor vehicle without a valid driver's license or instruction permit in the student's possession during behind-the-wheel instruction;
 - (3) permit more than a ratio of four students per vehicle and three vehicles per instructor on truck driving ranges;
 - (4) permit more than four students per vehicle per instructor during street instruction for truck driver training; or
 - (5) advertise or otherwise state or imply that a driver's license or permit is guaranteed or assured to any student or individual who may take or complete any instruction or course of instruction, enroll, or otherwise receive instruction in any truck driver training school.
- (b) The Commission may suspend, revoke, or refuse to renew approval of a truck driver instructor or a trainer of truck driver instructors, upon determining that the applicant or instructor has been:

- (1) convicted under the laws of this state, another state, or the United States of any felony; of an offense of criminally negligent homicide committed as a result of the person's operation of a motor vehicle; of an offense involving driving while intoxicated or under the influence; or of an offense involving tampering with a governmental record; or
- (2) found incompetent or is incompetent to:
 - (A) safely operate a motor vehicle; or
 - (B) properly conduct classroom or behind-the-wheel instruction.

SUBCHAPTER R. CLOSED SCHOOLS

§807.341. School Closures.

- (a) The Commission may declare a school to be closed when:
 - (1) written notification is received by the Commission from the school owner stating the school will close;
 - (2) Commission determines that the school facility has been vacated without prior notification of a change of address given to the Commission;
 - (3) an owner with multiple school locations transfers all students from one school location to another school location;
 - (4) the school dismisses all students, contrary to the school's class schedule as printed in the school catalog; or
 - (5) the school fails to maintain the faculty, facilities, equipment, or courses of instruction on the basis for which approval was issued.
- (b) After the Commission determines that a school will close or is closed, the Commission will attempt to notify students concerning their options to accept a teach-out or to receive a proportional tuition refund based on available funds. Notification to students may include constructive notice in news media, student meetings, or mailings to students.
- (c) Each teach-out requires approval of the Commission to determine whether the course of instruction is available, reasonable, and comparable with the course of instruction of the closed school. The teach-out is subject to the following conditions:
 - (1) Transfers of students from a closed school to another school under the same ownership shall not constitute a teach-out.

- (2) In order to be eligible for a teach-out, students shall submit a signed statement of acceptance to the teach-out school by the deadline as established by the Commission.
- (3) The school offering the teach-out shall give credit for all comparable training received at the closed school, as determined by the Commission.

§807.342. Tuition Trust Account.

- (a) In a year in which the Commission determines it is necessary to charge a fee under §132.2415(b) of the Act, each school shall make a payment to the tuition trust account at the time the school renewal fee is paid.
- (b) The amount in the tuition trust account, as provided in the Act, is an accrued balance. The accrued balance is the cash balance of the tuition trust account less the sum of the accrued liabilities from unpaid student refunds and teach-out claims.
- (c) Disbursements shall be made from the tuition trust account for student refunds and reimbursable teach-out expenses incurred during each 12-month period ending August 31, and shall be:
 - (1) made first for student refunds in accordance with §132.2415(d) of the Act;
 - (2) disbursed for reimbursable teach-out expenses based upon remaining funds;
and
 - (3) calculated after other funding sources have been determined.
- (d) Following the graduation or termination of the students from the teach-out school, the teach-out school shall determine actual expenses and submit a claim for reimbursement to the Commission on or before the date provided in the application packet. The teach-out school shall:
 - (1) not claim expenses for facilities, equipment, utilities, or other items which were owned, rented, used, or otherwise obligated by the school prior to the Commission's approval of the teach-out program, even though such items may be used for the teach-out program;
 - (2) be limited to expenses for tuition and fees that are non-recoverable from all financial resources, including grants and loans; and
 - (3) ensure that the sum of the tuition and fees paid to the student's account at the closed school and the teach-out school is the lesser amount the student would have been charged for the complete program at the closed school or the teach-out school.

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

SUBCHAPTER S. CEASE AND DESIST ORDERS

§807.361. Statement of Charges and Notice of Hearing on Cease and Desist Orders.

If the Agency believes a person is operating a career school or college without a certificate of approval in violation of §132.151 of the Act, the Agency may issue a statement of charges and notice of hearing to consider the issuance of a cease and desist order.

§807.362. Contents of Statement of Charges and Notice of Hearing.

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

- (1) The name and last known address of the person against whom the order may be entered;
- (2) A short and plain statement of the reasons the Agency believes the person is operating a career school or college without a certificate of approval;
- (3) A copy of the Commission's Career Schools and Colleges rules, Title 40, Chapter 807 of the Texas Administrative Code; and
- (4) The date, time, and location of the hearing.

§807.363. Service of Statement and Charges and Hearing Notice for the Issuance of Cease and Desist Orders.

The statement of charges and notice of hearing to consider a cease and desist order shall be served by certified mail, return receipt requested, on the person against whom the order is entered. Notice is presumed received five days from the date it is mailed by the Agency.

§807.364. Ex Parte Consultations.

- (a) A Commissioner or employee of the Agency assigned to render a decision or to make findings of fact and conclusions of law in a cease and desist proceeding shall not directly or indirectly communicate in connection with an issue of fact or law with the Commission, a person, a party, or a representative of those entities, except on notice and opportunity for each party to participate.
- (b) A Commissioner or employee of the Agency assigned to render a decision or to make findings of fact and conclusions of law in a cease and desist hearing may communicate ex parte with an Agency employee who has not participated in a hearing in the case for the purpose of using the special skills or knowledge of the agency and its staff in evaluating the evidence.
- (c) This section shall be construed liberally to promote the effectiveness and efficiency of issuance of cease and desist orders.

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

- (a) Within 10 days after the hearing is held, the hearing officer shall issue a written decision granting or denying the request for the issuance of a cease and desist order that includes findings of fact and conclusions of law. The hearing decision shall be mailed by certified mail, return receipt requested, and is presumed received five days from the date it is mailed. The hearing officer's decision becomes final the 15th day after receipt of the hearing decision unless an appeal is filed under subsection (b) of this section.
- (b) A party that is not satisfied with the decision of the hearing officer may file a written appeal of the decision to the Commission for a final review no later than the 15th day after receipt of the hearing decision. The written appeal shall contain the party's arguments as to why the decision of the hearing officer should be reversed. A party may request oral argument on the written appeal before the Commission. If oral argument is approved, each party or its hearing representative may present argument in support of its position.
- (c) Upon receipt of the written appeal of the hearing officer's decision, the Commission shall consider the appeal and issue a decision promptly. If in the written appeal, oral argument is requested by a party and approved, the Commission shall schedule and hold oral argument not later than 90 days of receipt of the written appeal. The Commission shall consider the appeal on the basis of the record made before the hearing officer. The decision of the Commission shall be mailed by certified mail, return receipt requested, and is presumed received 5 days from the date it is mailed.

§807.366. Cease and Desist Order.

- (a) If the request for the issuance of a cease and desist order becomes final under the provisions of §807.365(a) or, if after an appeal the decision under §807.365(c) upholds the issuance of a cease and desist order by the Commission, the hearing officer shall issue a cease and desist order against the person that is found operating a career school or college without a certificate of approval in violation of §132.151 of the Act.
- (b) The cease and desist order shall be delivered by certified mail, return receipt requested, and is presumed received five days from the date it is mailed.
- (c) From the date of receipt of the issuance of the cease and desist order, the person must completely cease and desist operating the career school or college.
- (d) The cease and desist order shall remain in effect until the person comes into complete compliance with the Act as determined by the Commission, or unless otherwise provided by the order of the Commission.

SUBCHAPTER G. COURSES OF INSTRUCTION

~~§807.91. Definitions Relating to Courses of Instruction.~~

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

- ~~(1) **Externship**—Practical, program related, off campus training under direct or indirect instructor supervision, with a preplanned outline of experiences and competencies.~~
- ~~(2) **Laboratory experience**—A specific experience of observation, experimentation, practice, study, technical investigation, analysis, and practical application of theory or verbal instruction involving hands-on supervised study in a selected vocation or subject.~~
- ~~(3) **Lecture**—A presentation of theories, concepts, procedures, or information about a particular subject.~~
- ~~(4) **New program**—A program:
 - ~~(A) not previously offered;~~
 - ~~(B) previously offered and then discontinued;~~
 - ~~(C) with a revised objective such that the program provides preparation for different jobs than those for which the program was originally approved (examples: legal secretary to paralegal; dental technician to medical technician; computer operator to computer programmer); or~~
 - ~~(D) with a 25% or more change within a 12-month period to the total number of hours, content, or lessons (examples: from 1,000 clock hours to 750; 20 lessons to 30; 600 clock hours to 900, 60 semester credit hours to 80).~~~~
- ~~(5) **New seminar**—A seminar:
 - ~~(A) not previously offered;~~
 - ~~(B) previously offered and then discontinued;~~
 - ~~(C) with a revised objective; or~~
 - ~~(D) with a 25% or more change in a 12-month period to the total number of hours of the approved seminar.~~~~
- ~~(6) **Revised program or seminar**—Revisions include changes in admission requirements, title, subject title, objective description (but not the detailed objective), subject clock or credit hours, or subject hours of lecture, laboratory, or externship. Scheduling and price changes are catalog changes, not revisions.~~

~~§807.92. General Information for Courses of Instruction.~~

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

- ~~(b) No subject or program shall be approved by the Commission unless the school demonstrates that the program's quality, content, and length reasonably and adequately impart the job skills and knowledge necessary for the student to obtain employment in the stated occupation.~~
- ~~(c) A school may not solicit students, otherwise advertise, or conduct classes for a course of instruction prior to the Commission's approval of the course of instruction. Any such activity by the school, prior to the Commission's approval of the course of instruction, shall constitute a misrepresentation by the school and shall entitle each student in the course of instruction to a full refund of all tuition and fees paid by the student and release from all obligations.~~
- ~~(d) The school shall establish and maintain a formal advisory committee of at least five members, unless the Commission approves a lesser number of persons in advance, for each type of program in excess of 200 clock hours in length. At least annually, the committee shall evaluate the curriculum, instructional materials and media, equipment, and facilities to ensure they meet the needs of the job market. The school shall have written documentation of the evaluation available for review by the Commission. If the school does not follow an advisory committee recommendation, the school shall maintain written documentation of the justification for not following the recommendation.~~
- ~~(e) If the applicant requests approval to measure programs in credit hours, the following conversion table shall be used.
 - ~~(1) One academic quarter credit hour equals a minimum of:
 - ~~(A) 10 clock hours of classroom lecture;~~
 - ~~(B) 20 clock hours of laboratory experience; or~~
 - ~~(C) 30 clock hours of externship.~~~~
 - ~~(2) One academic semester credit hour is equal to a minimum of:
 - ~~(A) 15 clock hours of classroom lecture;~~
 - ~~(B) 30 clock hours of laboratory experience; or~~
 - ~~(C) 45 clock hours of externship.~~~~
 - ~~(3) The school shall calculate lecture, laboratory, and externship credit hour conversions individually for each subject, rounding down to the nearest half credit hour. The school shall add the total for the credit hours for lecture, laboratory, and externship to determine the total credit hours for a subject.~~~~

§807.93. Applications for Additional Courses of Instruction.

- ~~(a) A school applying for approval of an additional course of instruction, after receiving an original certificate of approval, shall submit a complete application that includes:
 - ~~(1) the appropriate fee;~~
 - ~~(2) a completed application for approval on forms provided by the Commission; and~~
 - ~~(3) any other revisions or evidence as requested by the Commission.~~~~

- (b) ~~The Commission may require an abbreviated program application if:~~
- ~~(1) the school has the exact program approved at another location;~~
 - ~~(2) the program objective changes;~~
 - ~~(3) the program length changes 25% or more; or~~
 - ~~(4) the school's completion and employment rates are exemplary, as determined by the Commission.~~
- (c) ~~The Commission may deny an application for approval of an additional course of instruction if the school is not in full compliance with the Act or this chapter.~~

~~§807.94. Stated Occupation.~~

- (a) ~~The school shall ensure that each program prepares the student for the stated occupation.~~
- (b) ~~The school shall demonstrate that a student who successfully completes the program is more likely to be employed in the stated occupation than an individual who does not complete the program, all other things being equal.~~
- (c) ~~The school shall identify a demonstrable occupational demand for the stated occupation. The Commission may consider the following in evaluating the school's statement of occupational demand:~~
- ~~(1) publications of established relevant occupational associations;~~
 - ~~(2) targeted occupation lists of boards, if approved by the Commission, or other local or state entities;~~
 - ~~(3) references to advertisements in media for employment;~~
 - ~~(4) occupation employment rate of students;~~
 - ~~(5) percentage of graduating students who have previously completed the same or substantially similar program and who have obtained employment in the same or substantially similar stated occupation for which they have been trained;~~
 - ~~(6) relative supply and demand for the stated occupation, including letters from potential employers that describe their need for trained employees; and~~
 - ~~(7) reports or publications relating to the specific occupational demand.~~

~~§807.95. Curriculum Content.~~

- (a) ~~The school shall:~~
- ~~(1) provide competency based programs;~~
 - ~~(2) assess skills using primarily performance based methods;~~
 - ~~(3) use instructional media, methods, and materials appropriate for the program content and students' knowledge and abilities;~~
 - ~~(4) offer programs in a logical sequence of knowledge and skills; and~~

- ~~(5) if deemed appropriate by the Commission, provide an externship or a simulation of the workplace for the program.~~
- ~~(b) Each subject in the program shall teach the practical skills and knowledge required for employment in the stated occupation. The proportion of lecture, laboratory, and externship hours for each subject and for the program shall be reasonable for the skills and knowledge to be learned for the stated occupation.~~
- ~~(c) The Commission may use or validate existing skill standards or competencies, or develop statewide skill standards with the assistance of industry, schools, and other relevant entities as determined by the Commission.~~

~~§807.96. Curriculum Length.~~

- ~~(a) Each subject submitted for approval shall identify the clock or credit hours allocated to that subject. A subject or program that exceeds a length reasonable to prepare the student for the stated occupation shall not be approved.~~
- ~~(b) The Commission may establish minimum and maximum program lengths for stated occupations consistent with the intent of the Act.~~

~~§807.97. Program Title.~~

- ~~(a) Each program submitted for approval shall be identified by a title.~~
- ~~(b) The title shall clearly identify the stated occupation and shall be a title commonly used by business or industry.~~
- ~~(c) The Commission shall not approve false, misleading, or deceptive program titles.~~

~~§807.98. Equipment.~~

- ~~(a) Equipment required for instruction shall be comparable to that commonly found in the stated occupation.~~
- ~~(b) The school shall remove equipment not in working order from the instructional area, mark it as out of order, or properly identify it as awaiting repair.~~
- ~~(c) The school shall provide equipment of sufficient quality and quantity to meet the maximum use requirements of the current students, as demanded by the activity patterns of the training program.~~

~~§807.99. Facilities.~~

- ~~(a) In determining adequate space for lecture and laboratory experiences, the Commission shall consider that the amount of lecture and laboratory space meets the use requirements of the maximum number of current students in class with appropriate seating facilities and/or workstations, as needed by the activity patterns of the program.~~
- ~~(b) Enrollment shall not exceed the design characteristics of the available workstations.~~

~~§807.100. Admission Requirements Relating to Programs.~~

- ~~(a) The school shall submit, for approval by the Commission, its admission requirements for each program with justification for the requirements.~~
- ~~(b) The school shall ensure that the student demonstrates to the school sufficient proficiency in the language of instruction to successfully complete the training program.~~

~~§807.101. School Responsibilities Regarding Programs.~~

- ~~(a) As a condition of program approval or renewal, the school shall identify any portion of instruction that is self-paced or not conducted in English.~~
- ~~(b) To maintain program approval, the school shall demonstrate the following:
 - ~~(1) a reasonable student completion rate for each program; and~~
 - ~~(2) a minimum employment rate for program graduates in jobs related to the stated occupation.~~~~
- ~~(c) When a school is approved to offer a program, the school shall maintain sufficient instructors to teach all subjects for completing the program during the length of time stipulated in the school catalog, regardless of the size of the class.~~
- ~~(d) The school shall schedule classes so that students will be able to complete the program during the length of time stipulated in the school catalog.~~
- ~~(e) The school shall ensure that students receive the lecture and laboratory experience hours with sufficient instructors and scheduling. An instructor may not be simultaneously supervising a laboratory experience and a lecture even if they are in the same room.~~
- ~~(f) A school shall provide course outlines to students at the beginning of each subject which lists students' performance objectives, references and resources, and a general content outline for the subject.~~
- ~~(g) A school shall have and use lesson plans for all subjects.~~
- ~~(h) A school may not use subjects from one or more approved programs to create a new program and award a certificate of completion without prior approval.~~
- ~~(i) The student to instructor ratio shall be sufficient for students to learn, practice, and demonstrate the necessary knowledge and skills. These ratios may be varied at the discretion of the Commission to conform to conditions in an individual school. The following student instructor ratios may be acceptable for single subject classes:
 - ~~(1) business lecture or laboratory—30 to one;~~
 - ~~(2) technical, vocational, or allied health lecture—30 to one;~~
 - ~~(3) technical lab (examples: computer programming, data processing, electronics)—20 to one;~~
 - ~~(4) vocational lab (examples: auto mechanics, air conditioning and refrigeration, drafting)—20 to one; and~~~~

~~(5) intensive language instruction (beginning) 15 to one; (intermediate to advanced) 20 to one.~~

~~§807.102. Program Revisions.~~

- ~~(a) The school shall submit a revised program application for any proposed changes in the program that shall be reflected in the school catalog's program information.~~
- ~~(b) The school shall receive approval of proposed program revisions in writing from the Commission before implementing the revisions.~~
- ~~(c) The school shall work closely with employers in its job market to ensure that the program meets employers' needs.~~

~~§807.103. Program Requirements for Degree Granting Schools.~~

~~A school shall provide evidence to the Commission that they are authorized by the Coordinating Board to offer degree programs.~~

~~§807.104. Penalties Relating to Courses of Instruction.~~

- ~~(a) If an approved course of instruction is discontinued for any reason, the Commission shall be notified within 72 hours of discontinuance and furnished with the names and addresses of any students who were prevented from completion of the course of instruction due to discontinuance. Should the school fail to make arrangements satisfactory to the students and the Commission for the completion of the course of instruction, the full amount of all tuition and fees paid by the students are then due and refundable. Any course of instruction discontinued will be removed from the list of approved courses of instruction.~~
- ~~(b) The Commission may suspend enrollments in a particular course of instruction at any time the Commission finds cause. For purposes of this subsection, cause includes, but is not limited to:
 - ~~(1) inadequate instruction;~~
 - ~~(2) unapproved or inadequate curriculum;~~
 - ~~(3) inadequate equipment; or~~
 - ~~(4) inadequate facilities.~~~~
- ~~(c) If a school begins teaching a course of instruction or revised course of instruction that has not been approved by the Commission, the Commission may require the school to refund to the enrolled students all or a portion of the tuition fees.~~
- ~~(d) If upon review and consideration of an original, renewal, or revised application for course of instruction approval, the Commission determines that the applicant fails to meet the requirements in the Act or this chapter, the Commission shall notify the school, setting forth in writing the reasons for the denial. This may include summaries of peer evaluations from both educators and employers offering similar courses of instruction.~~
- ~~(e) The Commission may revoke approval of a school's course of instruction at any time the Commission finds cause. For purposes of this subsection, cause includes, but is not limited to:~~

- ~~(1) any statement contained in the application for the course of instruction approval which is untrue;~~
 - ~~(2) the school's failure to maintain the instructors, facilities, equipment, or courses of instruction, or course of instruction outcomes on the basis of which approval was issued;~~
 - ~~(3) advertising made on behalf of the school which is false, misleading, or deceptive, including those that use the word "associate" to describe a degree other than those approved by the Coordinating Board;~~
 - ~~(4) courses of instruction without clearly stated limited transferability if there are no articulation agreements with other postsecondary institutions in the same geographic area;~~
 - ~~(5) courses of instruction for which financial aid is advertised but is not available;~~
 - ~~(6) repeated violations by the school that negatively impact the quality of a particular course of instruction; or~~
 - ~~(7) violations by the school of any applicable provision of the Act or this chapter.~~
- ~~(f) A school whose course of instruction approval is denied or revoked shall have the right to appeal. The Commission will conduct hearings in accordance with Commission policies and procedures applicable to the appeal.~~

SUBCHAPTER H. APPLICATION FEES AND OTHER CHARGES

§807.111. Fee Schedule.

The Commission shall collect fees according to the following schedule.

- ~~(1) The initial fee for a certificate of approval for a small school is \$1,001.~~
- ~~(2) The initial fee for any other school is \$3,000.~~
- ~~(3) In the event of a change in ownership of the school, the new owner shall pay the same fee as that charged for an initial fee for a school.~~
- ~~(4) The initial registration fee for a representative is \$90.~~
- ~~(5) The annual renewal fee for a representative is \$45.~~
- ~~(6) The fee for a change of name of the school or owner is \$150.~~
- ~~(7) The fee for a change of address of a school is \$270.~~
- ~~(8) The fee for a change in the name or address of a representative or a change of the name or address of a school that causes the reissuance of the notice of permitted representative is \$15.~~
- ~~(9) The application fee for a course of instruction that is an additional program is \$225.~~
- ~~(10) The application fee for a course of instruction that is a seminar program is \$35.~~
- ~~(11) The application fee for a school director, administrative staff member, or instructor is \$20.~~

~~(12) The fee for an inspection of classroom facilities that are separate from the main campus is \$375.~~

~~(13) The fee for an investigation of a complaint against a school is \$400, if assessed.~~

~~§807.112. Renewal Fees.~~

~~(a) For small schools, if a certificate of approval is issued for more than one year, the renewal fee is \$1,001, which may be paid with \$501 the first year and \$250 on the anniversary date of the certificate for each subsequent year.~~

~~(b) For all other schools, the renewal fee is based on the gross amount minus refunds of annual student tuition and fees. The renewal fee is the greater of:~~

~~(1) 0.31% of the school's gross tuition and fees, excluding refunds as provided by the Act; or~~

~~(2) \$500.~~

~~(c) For all schools, the Commission shall assess a penalty of 10% of the renewal fee, not less than \$200 or more than \$1,000, if the school fails to file a complete application for renewal at least 30 days before the expiration date of the certificate of approval.~~

~~§807.113. Installment Payments.~~

~~(a) With the exception of the renewal installment schedule for small schools, a school may elect to pay any single fee in excess of \$1,000 by quarterly installment. A service charge of 10% of the fee shall be added, and the total divided into equal quarterly installment payments. The first payment shall be due on the date the fee is due. The successive payments shall be due in 90-day increments.~~

~~(b) Failure to pay any installment by the due date may result in one or more of the following:~~

~~(1) a penalty being assessed in the amount of 50% of the total amount of the fee;~~

~~(2) full payment of the penalty and outstanding balance due within 30 days; or~~

~~(3) suspension of participation in the installment payment plan for the next renewal period.~~

~~SUBCHAPTER I. ADVERTISING~~

~~§807.121. General Information for Advertising.~~

~~(a) A school shall not make deceptive statements in attempting to enroll students.~~

~~(b) The Commission may require a school to furnish proof to the Commission of any of its advertising claims, when requested.~~

~~§807.122. Advertisement Method.~~

~~(a) A school may advertise for prospective students under "instruction," "education," "training," or a similarly titled classification.~~

- ~~(b) A school shall not be advertised under any "help wanted," "employment," or similar classification.~~
- ~~(c) No school advertisements shall use the word "wanted," "help wanted," or "trainee," either in the headline or the body of the advertisement, nor shall any advertisement indicate, in any manner, that the school has or knows of employment of any nature available to prospective students; only "placement assistance," if offered, may be advertised.~~
- ~~(d) A school shall not use terms to describe the significance of the approval that specify or connote greater approval. Terms that schools may not use to connote greater approval by the Commission include, but are not limited to, "accredited," "supervised," "endorsed," and "recommended." A school shall not use the words "guarantee," "guaranteed," or "free" unless approved in writing by the Commission.~~
- ~~(e) Any advertisement that includes a reference to awarding of credit hours shall include the statement, "limited transferability." Where a school has an arrangement with a college or university to accept transfer hours, such information may be advertised, but any limitations shall be included in the advertisement.~~

~~§807.123. Advertisement Content.~~

- ~~(a) Advertisement content shall include, and clearly indicate, the full and correct name of the school and its address, including city, as they appear on the certificate of approval.~~
- ~~(b) Advertisements shall not include:
 - ~~(1) statements that the school or its programs are accredited unless the accreditation is that of an agency recognized by the United States Department of Education;~~
 - ~~(2) statements that the school or its courses of instruction have been approved unless the approval can be substantiated by an appropriate certificate of approval issued by an agency of the state or federal government; or~~
 - ~~(3) representation of the school as an employment agency under the same name, or a confusingly similar name, or at the same location of the school.~~~~
- ~~(c) A school holding a franchise to offer specialized programs or subjects not available to other schools shall not advertise such programs in such a manner as to diminish the value and scope of programs offered by other schools not holding such a franchise. Advertising of special subjects or programs offered under a franchise shall be limited to the subject or programs offered.~~
- ~~(d) A school shall not use endorsements, commendations, or recommendations by students in favor of a school except with the consent of the student and without any offer of financial or other material compensation. Endorsements shall bear the legal or professional name of the student.~~
- ~~(e) A school shall not use a photograph, cut, engraving, illustration or graphic in advertising in such a manner as to:
 - ~~(1) convey a false impression of size, importance, or location of the school, equipment, or facilities associated with the school, or~~~~

- ~~(2) circumvent any of the requirements of this chapter regarding written or oral statements.~~
- ~~(f) Every advertisement must clearly indicate that training is being offered, and shall not, either by actual statement, omission, or intimation, imply that prospective employees are being sought.~~

~~§807.124. Financial Incentives.~~

- ~~(a) Advertisements shall not:
 - ~~(1) state that students shall be guaranteed employment while enrolled in the school;~~
 - ~~(2) state that employment shall be guaranteed for students after graduation; or~~
 - ~~(3) misrepresent opportunities for employment upon completion of any program.~~~~
- ~~(b) Advertisements shall not contain dollar amounts as representative or indicative of the earning potential of graduates unless those dollar amounts have been published by the United States Department of Labor. This provision shall not be construed as prohibiting the school from providing earning potential to the student individually on the student's receipt of enrollment policies or other such Commission approved document.~~
- ~~(c) Advertisements for student tuition loans shall:
 - ~~(1) contain the language "financial aid available, if qualified"; and~~
 - ~~(2) appear in type no larger than the font used for the name of the school and in similar color and style.~~~~
- ~~(d) Advertising of student tuition loans as described in this section does not preclude disclosure of the school's eligibility under the various state and federal loan programs.~~

~~§807.125. Catalog.~~

- ~~(a) The catalog shall include the following:
 - ~~(1) table of contents or index;~~
 - ~~(2) name and complete street address of the school;~~
 - ~~(3) volume number, date of publication, and effective dates;~~
 - ~~(4) history of any accreditations or approvals, including statement of approval and regulation by the Commission;~~
 - ~~(5) description of space, facilities, and equipment;~~
 - ~~(6) list of all trustees, directors, officers of the corporation, and owners;~~
 - ~~(7) list of management staff and faculty, including education relating to the areas of instruction;~~
 - ~~(8) tuition, fees, other charges, and applicable scholarship terms;~~
 - ~~(9) school calendar;~~~~

- (10) ~~school hours of operation and class schedule, including the amount of time allocated for breaks and mealtimes;~~
- (11) ~~policies regarding enrollment, including entrance requirements, previous education credit, cancellation and refund, progress, attendance, leave of absence, and conduct;~~
- (12) ~~veterans administration refund policy, if applicable;~~
- (13) ~~description of courses of instruction, including the number of clock hours of a seminar, seminar topic, lecture, lab, and externship, as well as credit hours in each subject, if applicable;~~
- (14) ~~description of each subject;~~
- (15) ~~description of the grading policy, including requirements for graduation;~~
- (16) ~~description of placement assistance, if available;~~
- (17) ~~statement of policies regarding grievances; and~~
- (18) ~~a statement signed by the owner or director indicating that all of the information contained in the catalog is true and correct.~~

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

~~§807.126. Advertisement Monitoring.~~

- (a) ~~The Commission may order corrective action to counteract the effect of advertising in violation of the Act or rules, including:~~
 - (1) ~~retraction by the school of such advertising claims published in the same manner as the claims themselves; and~~
 - (2) ~~cancellation of telephone numbers without an automatic forwarding message.~~
- (b) ~~As corrective action for violations of the Act or rules, the Commission may require schools to submit all advertisements to the Commission for pre-approval at least 30 days before proposed submission of the advertisements to the advertising medium.~~
- (c) ~~Nothing in these guidelines shall prohibit release of information to students as required by a state or federal agency.~~

SUBCHAPTER J. ADMISSION

~~§807.141. General Information for Admission.~~

- (a) ~~The Commission may approve specific admission requirements for seminars and small schools.~~
- (b) ~~Small schools with programs of 40 clock hours or less, individual subject offerings, and seminars are not required to grant credit for previous education and training.~~
- (c) ~~The school shall make appropriate adjustments to the program length and price based upon credit granted for previous education and training, where warranted.~~

- (d) ~~For a school having specific term beginning dates, a school may not start students after the third day of classes during any given term, except in those cases where appropriate credit for previous education and training has been given according to the Act and this chapter.~~
- (e) ~~A continuously enrolled student has the right to graduate under the academic requirements stated in the catalog in effect at the time of the student's enrollment.~~

§807.142. Admission Requirements.

- (a) ~~The school shall require for admission into its programs proof of one of the following:~~
 - (1) ~~secondary education;~~
 - (2) ~~successful completion or the equivalent of one full-time academic semester (12 academic semester hours) or academic quarter (18 academic quarter hours) at an accredited college, university, or other postsecondary school; or~~
 - (3) ~~for certificate programs only, proven ability to benefit by obtaining a satisfactory score on the approved entrance test.~~
- (b) ~~Entrance test requirements shall be in accordance with the following provisions:~~
 - (1) ~~Any entrance test shall be a nationally recognized standardized test or a nonstandardized test developed by the appropriate industry and approved by the Commission. A nonstandardized test shall be validated by a qualified third party, such as an expert in tests and measurements, for both appropriateness and the specific score level required for admission into the program. The name of the test and its publisher, any time limitations, a minimum acceptable score, and an explanation of score meanings, as referenced in the test material, shall be provided to the student with a copy of the test, if the test is not already on file with the Commission.~~
 - (2) ~~If multiple opportunities are allowed for retaking the same entrance test, such students shall wait a minimum of five calendar days prior to retaking the test. A student may take a second entrance test on the same day provided a substantially different test is administered. This shall be stated in the admissions policy published in the school catalog.~~
 - (3) ~~A representative is not allowed to administer the test, nor is anyone allowed to assist the student in answering the questions.~~
 - (4) ~~If the entrance test reveals the student to be ineligible as an ability-to-benefit student, the student may be enrolled as a remedial student. The school shall have an evaluation procedure approved by the Commission to determine remedial needs and to determine when the required level of remediation has been reached. The school shall also have a remediation plan for such students consisting of subjects approved by the Commission as a part of the program. The students may be charged for the remedial portion of the program on an hourly pro rata basis, but the student is not obligated for the tuition and fees of the program until the entrance requirements are met.~~

- (c) ~~Evidence shall be maintained in each student's file to show the admissions requirements have been met. A full refund of all monies paid and a full release from all obligations shall be due, as determined by the Commission, to any student for whom the school cannot establish that the admission requirements were met.~~

~~§807.143. Receipt of Enrollment Policies.~~

- (a) ~~For all enrollments other than for seminars, individual subjects, and small schools with programs of 40 clock hours or less, each school shall use a form provided by the Commission to verify the prospective student's receipt of the information required in this section.~~
- (b) ~~Unless otherwise required in this chapter, prior to enrollment the school shall furnish the following to each prospective student:~~
- ~~(1) a school catalog and program outline, unless the prospective student enrolls in a seminar;~~
 - ~~(2) a schedule of tuition, fees, and other charges;~~
 - ~~(3) the cancellation and refund policy;~~
 - ~~(4) the attendance, progress, and grievance policies;~~
 - ~~(5) the rules of operation and conduct;~~
 - ~~(6) if available, the average starting salary per pay period and annually for the prospective student's stated occupation, and information regarding the number of job openings in the program objective field in a specified area within the last 12 months, including the name of the information source;~~
 - ~~(7) the regulations pertaining to incomplete grades;~~
 - ~~(8) written and verbal information regarding loans and grants and their differences, if the school participates in a loan or grant program;~~
 - ~~(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; and~~
 - ~~(11) the job placement and employment data for the stated occupation as required in this chapter.~~
- (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.~~

~~§807.144. Enrollment Agreement.~~

- ~~(a) A school does not need an enrollment agreement to enroll a student in a seminar that will be completed within three consecutive calendar days.~~
- ~~(b) For distance education schools, the enrollment agreement shall specify the amount of time allotted to the student to complete the program.~~
- ~~(c) A school shall submit an enrollment agreement to the Commission for approval.~~
- ~~(d) A school shall use only an approved enrollment agreement to enroll students.~~
- ~~(e) The executed enrollment agreement shall include, but is not limited to, the following:
 - ~~(1) full and correct name and location of the school;~~
 - ~~(2) program title, tuition, fees, reasonable estimate cost of books and supplies, any other expenses, total cost of the program, items subject to cost change, method of payment and payment schedule, disclosure statement if interest is charged on more than three payments, and detachable buyer's right to cancel if enrollment is procured off campus;~~
 - ~~(3) date training is to begin and program length;~~
 - ~~(4) name, address, and signature of the student;~~
 - ~~(5) statement by the school that the student will receive a copy of the school enrollment agreement and catalog at the time of signing by the student;~~
 - ~~(6) cancellation and refund policy; and~~
 - ~~(7) a Federal Trade Commission statement for holder in due course, unless no loans, grants, or installment payments are involved.~~~~
- ~~(f) The school shall provide a notice of cancellation, attached to the enrollment agreement, for any student enrolled off the school premises. The notice shall:
 - ~~(1) be in duplicate;~~
 - ~~(2) be easily detachable;~~
 - ~~(3) be printed in boldface type, with a minimum font of 10 point;~~
 - ~~(4) contain the date of the enrollment agreement, name and address of school, the date on which the statutory 72-hour cancellation privilege will expire, and any other provisions as determined by the Commission;~~
 - ~~(5) be printed in the same language as used in the enrollment agreement; and~~~~

- ~~(6) be in such a form that can be used by the student to notify the school of the student's desire to cancel by dating, signing, and mailing or otherwise delivering the form to the school's address shown.~~
- ~~(g) A copy of the enrollment agreement form shall be given to the student and a copy maintained as a part of the student's file.~~
- ~~(h) The Commission may permit a school to submit an abbreviated enrollment agreement for students enrolled on a reimbursement contract basis.~~

~~§807.145. Conduct Policy.~~

~~The school shall submit for approval a copy of the rules and regulations pertaining to conduct, which shall include statements regarding:~~

- ~~(1) conditions for dismissal; and~~
- ~~(2) conditions for reenrollment of those students dismissed for violating the conduct policy.~~

~~§807.146. Tuition and Fees.~~

- ~~(a) A school shall disclose to potential students all tuition, fees, and other charges, and state such information in the school's application for a certificate of approval. The school may not use an estimated tuition amount, nor may the school increase the student's tuition if the student remains continuously enrolled and completes the training as approved at the time of admission. If the school charges to repeat subjects, the amount of the charges must be disclosed to the student.~~
- ~~(b) A school shall make available for review by the Commission upon request:
 - ~~(1) a description of the methods of payment that are available to enrolling students;~~
 - ~~(2) the names and addresses of lending institutions used by the school for student tuition loans; and~~
 - ~~(3) the true annual percentage rate and any other fees or charges associated with student tuition loans.~~~~
- ~~(c) A school shall refund or forfeit any tuition, fees, or other charges not previously disclosed to the Commission.~~
- ~~(d) A school may offer scholarships providing the terms of scholarships are disclosed to the Commission.~~
- ~~(e) The school shall maintain, in a permanent format that is acceptable and readily accessible to the Commission, a record of any funds received from, or on behalf of, the student. A school shall clearly identify the payor, the type of funding, and the reason for the charges. These records shall be posted and kept current.~~
- ~~(f) A school shall issue written receipts of any charges or payments to the student and maintain such records for review upon request by the Commission. Each separately charged item shall be clearly itemized on a student signed receipt.~~

~~§807.147. Admission Requirements for Degree Granting Schools.~~

- ~~(a) Students who transfer from other postsecondary schools shall complete at least 20 academic semester hours or 30 academic quarter hours in residency at the school that will grant the degree. This does not apply to transfers within the same school system.~~
- ~~(b) A school shall allow students attending at the time a school becomes a degree granting school to earn a degree, providing the student:
 - ~~(1) meets all the prerequisites for acceptance into the degree program; and~~
 - ~~(2) satisfactorily completes all courses or equivalent courses of the degree program.~~~~
- ~~(c) Former students shall meet all the prerequisites for acceptance into the degree program and shall satisfactorily complete all courses or equivalent courses in the approved degree program to qualify for a degree.~~

SUBCHAPTER K. PROGRESS STANDARDS

~~§807.161. General Requirements for Progress Standards.~~

- ~~(a) The Commission may approve specific progress standards for self paced, competency-based programs.~~
- ~~(b) Seminars, because of their nature and duration, are not required to have progress standards.~~
- ~~(c) The progress evaluation records shall be of the type and nature to reflect whether the student is making satisfactory progress to the point of being able to complete all subject matter within the allotted time provided in the course curriculum.~~
- ~~(d) The school shall submit its policies pertaining to incomplete grades to the Commission for approval and publish those policies in the school's catalog. The policies shall address the possibility of the subjects being discontinued when the student returns and clarify options available to that student pursuant to the Act.~~
- ~~(e) Approved court reporting program students may receive one grade of "IP" (in progress) in any speedbuilding subject if they have not achieved the required speed at the end of the grading period.~~

~~§807.162. Progress Requirements for Residence Schools.~~

- ~~(a) For programs of 40 clock hours or less, the school is only required to give a final exam at the end of the program to determine whether the student has sufficient knowledge to warrant a certificate of completion, in lieu of a progress evaluation.~~
- ~~(b) For programs of 41 to 200 clock hours, the school shall record a student's grades at the midpoint and end of each progress evaluation period. A student not making satisfactory progress at the midpoint shall be placed on academic probation for the remainder of the progress evaluation period. If the student does not achieve satisfactory progress by the end of the probationary period, the student's enrollment shall be terminated.~~

- (c) ~~For schools approved on a clock hour basis and offering programs in excess of 200 hours, the school shall evaluate progress at least every eight weeks. A school approved on a credit hour basis shall evaluate progress at the midpoint and end of term for academic semester or academic quarter or at least every eight weeks. For programs in excess of 200 clock hours, the following shall apply.~~
- ~~(1) The school shall place a student making unsatisfactory progress for the program at the end of a progress evaluation period on academic probation for the next progress evaluation period. If the student on academic probation achieves satisfactory progress for the subsequent progress evaluation period, but does not achieve the required grades to meet overall satisfactory progress for the program, the student may be continued on academic probation for one more progress evaluation period.~~
 - ~~(2) If a student on academic probation fails to achieve satisfactory progress for the first probationary progress evaluation period, the student's enrollment shall be terminated.~~
 - ~~(3) The enrollment of a student who fails to achieve overall satisfactory progress for the program at the end of two successive probationary progress evaluation periods shall be terminated.~~
- (d) ~~When a student is placed on academic probation, the school shall counsel the student prior to the student returning to class. The date, action taken, and terms of probation shall be clearly indicated in the student's permanent file.~~
- (e) ~~The school may allow a student whose enrollment was terminated for unsatisfactory progress to reenroll after a minimum of one progress evaluation period. Such reenrollment does not circumvent the approved refund policy.~~
- (f) ~~The school shall place a student who returns after their enrollment was terminated for unsatisfactory progress on academic probation for the next grading period. The school shall advise the student of this action and document the student's file accordingly. If the student does not demonstrate satisfactory progress at the end of this probationary period, that student's enrollment shall be terminated.~~

§807.163. Progress Requirements for Distance Education Schools.

- (a) ~~Distance education schools shall evaluate progress as the school receives each lesson assignment. The school shall maintain the record of progress on forms approved by the Commission. Forms shall include:~~
- ~~(1) the date course materials are mailed to the student;~~
 - ~~(2) the date the lesson assignment is received from the student;~~
 - ~~(3) the grade on a per lesson basis;~~
 - ~~(4) the instructor's name;~~
 - ~~(5) the date graded assignments are returned to the student; and~~
 - ~~(6) the final grade for the program with completion date indicated.~~
- (b) ~~If at the end of the time period specified in the enrollment agreement, the student has not completed the program, the student's enrollment shall be terminated.~~

~~§807.164. Progress Requirements for Degree Granting Schools.~~

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

- ~~(1) a student progress evaluation every academic semester, academic quarter, or at least every eight weeks in block time programs;~~
- ~~(2) a minimum grade point average for graduation from all degree programs of 2.0 based on a 4.0 scale, and that a student achieve a passing grade in all required subjects;~~
- ~~(3) a probationary period of one academic semester, academic quarter, or approved grading period following the end of the academic semester, academic quarter, or approved grading period in which the student's grades become unsatisfactory; and~~
- ~~(4) provisions for termination at the end of not more than two consecutive probationary periods if the student's cumulative grade point average does not improve to the level required for graduation.~~

SUBCHAPTER L. ATTENDANCE STANDARDS

~~§807.171. General Requirements for Attendance.~~

- ~~(a) Seminar programs that begin and end during one day are not required to maintain an attendance policy.~~
- ~~(b) The Commission may approve specific attendance requirements for self paced, competency based programs.~~
- ~~(c) No provision in this subchapter shall require a school to terminate the enrollment of a student for lack of attendance at a point at which a refund would not be due.~~
- ~~(d) A school shall charge for a full day of absence when the student fails to attend all of the scheduled classes on that day. The school shall charge for a partial day of absence for any period of absence during the day.~~
- ~~(e) A school shall not consider school holidays, such as summer vacation and Christmas holidays, etc., as days of absence.~~

~~§807.172. Attendance Requirements for Degree Granting Schools.~~

~~For a school offering degree programs, the attendance standards shall include the following:~~

- ~~(1) provisions for termination or probation during the next academic quarter, academic semester, or approved term when a student is absent for more than 20% of the scheduled clock hours during an academic quarter, academic semester, or approved term;~~
- ~~(2) provisions for termination when a student is absent for more than 20% of the scheduled clock hours during the probationary academic quarter, academic semester, or approved term; and~~
- ~~(3) provisions for termination prior to the last quarter, when a student is absent in excess of 10 consecutive school days or 20% of the total clock hours in the course, whichever occurs first.~~

~~§807.173. Termination of Enrollment.~~

- ~~(a) A school shall terminate the enrollment of a student who accumulates the lesser of the following amounts of absences:
 - ~~(1) more than 10 consecutive school days;~~
 - ~~(2) more than 20% of the total clock hours in a program of more than 200 clock hours;~~
 - ~~(3) more than 25% of the total clock hours, if the program or individual subject is 41 to 200 clock hours in length;~~
 - ~~(4) more than 25% of the total clock hours for seminars, individual subjects, or programs of 40 clock hours or less; or~~
 - ~~(5) any number of days if the student fails to return as scheduled from an approved leave of absence.~~~~
- ~~(b) 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.~~

~~§807.174. Make-up Work.~~

- ~~(a) No more than 5% of the total clock hours for a program may be made up.~~
- ~~(b) The school shall submit make-up work policies to the Commission for approval.~~
- ~~(c) Make-up work shall:
 - ~~(1) be supervised by an instructor approved for the subject 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.~~~~

~~§807.175. Leaves of Absence.~~

- ~~(a) Seminars and small schools with programs of 40 clock hours or less shall not grant leaves of absence.~~
- ~~(b) A school director may grant a leave of absence after determining that good cause is shown.~~
- ~~(c) In a 12-month calendar period, a student may have no more than two leaves of absence. For a program of 200 clock hours or less, a student may be on leave of absence for a total of 30 calendar days. For programs of more than 200 clock hours, a student may be on leave of absence for a total of 60 calendar days.~~

- (d) ~~School attendance records shall clearly define the dates of the leave of absence. A written statement as to why the leave of absence was granted, signed by both the student and the school director indicating approval, shall be placed in the student's permanent file.~~
- (e) ~~In addition to the requirements concerning leaves of absence in this subchapter, a school offering degree programs that schedules their courses on an academic quarter or academic semester basis may include in their attendance policies provisions for summer leaves of absence. These leaves of absence shall not exceed the lesser of 120 days or the interval between the end of the spring academic quarter or academic semester and the start of the fall academic quarter or academic semester.~~

SUBCHAPTER M. ~~CANCELLATION AND REFUND POLICY~~

~~§807.191. Right to Cancel after Tour.~~

- (a) ~~Distance education, combination distance education residence, and seminars are not required to provide the student a tour.~~
- (b) ~~Any potential student who has not been provided the opportunity to tour the school facilities and inspect the equipment before signing an enrollment contract has an additional three days, excluding Saturdays, Sundays, and legal holidays, following a tour and inspection to cancel enrollment and request a full refund of any money paid to the school and release from all obligations. The student shall sign and date an acknowledgement form certifying the completion of the tour.~~

~~§807.192. Consummation of Refund.~~

- (a) ~~A school shall document refunds by written record indicating the date of the refund transaction, the name of the student receiving the refund, the total amount refunded, and the specific reason for the refund. Proof of consummation shall be on file within 120 days of the effective date of termination and shall include:~~
 - (1) ~~copies of both sides of the cancelled check;~~
 - (2) ~~printed proof of completed transaction of electronic funds transfer or other similar electronic means; or~~
 - (3) ~~documentation of an awarded credit to a credit card or other similar account.~~
- (b) ~~To ensure a school's good faith effort to timely consummate a refund owed directly to a student, the student's file shall contain evidence of the following proof of a certified mailing of the refund to the:~~
 - (1) ~~student's last known address;~~
 - (2) ~~student's permanent address, if different from the student's last known address; or~~
 - (3) ~~address of the student's parent or legal guardian, if different from the student's last known and permanent addresses.~~
- (c) ~~If after making a good faith effort to timely consummate a refund, the school is unable to consummate the refund, the school shall forward to the Commission the appropriate~~

refund amount and any pertinent student information to assist the Commission in locating the student.

~~§807.193. Refund Requirements for Residence Schools.~~

- ~~(a) Students are entitled to a full refund for classes attended if the school does not provide a class with:
 - ~~(1) an approved instructor;~~
 - ~~(2) an instructor for whom an application has been properly submitted to the Commission; or~~
 - ~~(3) a temporary instructor for whom the school submitted notice to the Commission.~~~~
- ~~(b) If a class has no instructor for more than one class period, students are entitled to a full refund for each such class attended.~~
- ~~(c) The length of a program, for purposes of calculating refunds owed, is the shortest scheduled time period in which the program may be completed by continuous attendance of a full-time student.~~
- ~~(d) A school shall calculate refunds for students based upon scheduled hours of classes through the last date of attendance. A school shall not count leaves of absence, suspensions, school holidays, days when classes are not offered, and summer vacations for purposes of calculating a student's refund.~~
- ~~(e) For all schools other than distance education, combination distance education residence, and seminars, a student may cancel enrollment, request a full refund, and request a release from any obligations to the school within three days, excluding Saturdays, Sundays and legal holidays following:
 - ~~(1) the first day of the student's scheduled classes if the student is not provided an opportunity to tour the school facilities, which includes inspection of equipment, before signing an enrollment contract; or~~
 - ~~(2) the day the tour of the school facilities, including inspection of the equipment, is completed, when provided before the first day of the student's scheduled classes.~~~~

~~§807.194. Penalties Relating to Refunds.~~

- ~~(a) A penalty shall be paid on any refund not consummated in a timely manner as required by the Act. The penalty assessment shall begin on the first day following the expiration of the statutorily defined refund period and end on the day preceding the date the refund is consummated.~~
- ~~(b) Penalties assessed on late refunds for grants shall be paid to the tuition trust account if the amount is \$15 or less. Any other penalty assessed on a school's late payment of student refunds shall be disbursed in the following order of priority:
 - ~~(1) to the student's account at a lending institution for the balance of principal and interest on the student loan;~~
 - ~~(2) to the student for tuition and fees paid directly by the student; and~~~~

- ~~(3) to the tuition trust account for any remaining balance of assessed penalty.~~
- ~~(c) If the Commission determines that the method used by the school to calculate refunds is in error or the school does not routinely pay refunds within the time required by the Act, the school shall submit an audited report conducted by an accountant of the refunds due former students that includes any penalty due as specified in the Act. An audit opinion letter shall accompany a schedule of student refunds due, which discloses the following information for the four years prior to the date of the Commission's request:
 - ~~(1) student information, including name, address, and social security number;~~
 - ~~(2) pertinent dates, including last date of attendance and date of termination; and~~
 - ~~(3) refund information, including amount of refund with principal, penalty, and any balance due separately stated, payee, and date and check number of payment if payment has been made.~~~~

SUBCHAPTER N. RECORDS

§807.211. General Information for Records.

- ~~(a) A school shall permanently maintain a master student registration list (MSRL). If the school maintains the MSRL in electronic form, the school must be able to produce a printed copy immediately upon request. The MSRL must contain at least the following information:
 - ~~(1) date of applicable entry;~~
 - ~~(2) name of student;~~
 - ~~(3) address of student including city, state, and zip code;~~
 - ~~(4) telephone number;~~
 - ~~(5) social security number;~~
 - ~~(6) date of birth; and~~
 - ~~(7) name of program.~~~~
- ~~(b) A school shall maintain current records and necessary data for each student required to be on the master student registration list to show compliance with the Act and this chapter. These records shall be:
 - ~~(1) maintained on site; and~~
 - ~~(2) made available to the Commission for inspection.~~~~
- ~~(c) If applicable, the school shall maintain and ensure that copies of the accreditation authorization and letter of eligibility from the United States Department of Education are available for Commission review.~~
- ~~(d) Degree granting schools shall maintain a copy of the certificate of authorization from the Coordinating Board for each authorized degree program.~~
- ~~(e) The Commission may conduct unannounced compliance inspections.~~

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

~~§807.212. Student Records.~~

- ~~(a) A school shall permanently maintain student transcripts of academic records. A school shall provide such transcripts to students and prospective employers at a reasonable charge if the student has fulfilled the financial obligation to the school and is neither in default nor owes a refund to any federal or state student financial aid program.~~
- ~~(b) A school shall retain financial records in accordance with federal retention requirements.~~
- ~~(c) A school shall retain all student records for at least a five-year period and these records shall include:~~
- ~~(1) a written record of previous education and training on a form provided by the Commission; and~~
 - ~~(2) official transcripts from all previous postsecondary schools attended by the student.~~

~~§807.213. Attendance Record Keeping.~~

- ~~(a) Schools are not required to take attendance. However, if a school does not take attendance, it must develop an alternative method to accurately determine a student's last date of attendance for refund purposes and to monitor absences. This alternative method must be approved in writing by the Commission.~~
- ~~(b) A school offering seminars or other programs where students do not change instructors during the school day, are not required to maintain a separate master record of attendance, if the school voluntarily takes attendance.~~
- ~~(c) A school shall maintain a master record of attendance on each student that clearly indicates the number of scheduled hours each day and the hours of absence, if the school voluntarily takes attendance.~~
- ~~(d) If the school voluntarily takes attendance, each instructor shall maintain a record of attendance, which shall indicate a positive record of each student's attendance. Entries in the record of attendance shall be made in ink or other permanent medium, including scantron or other permanent computer records, and shall not be changed in a manner that precludes reading the original entry.~~

~~§807.214. Employment Records.~~

- ~~(a) A school offering programs approved for an occupational objective shall complete the labor market information survey on forms provided by the Commission and submit them on or before the date provided in the survey packet as requested by the Commission.~~
- ~~(b) A school shall report program completion, job placement, and employment data on an annual basis in each program approved for an occupational objective.~~

- ~~(1) The school shall provide the data in a form acceptable to the Commission.~~
- ~~(2) Verifiable documentation shall be made available for review to support data reported. The documentation shall include the names of graduates and the names, addresses, and telephone numbers of their employers.~~

SUBCHAPTER O. COMPLAINTS

§807.221. School Policy Regarding Complaints.

The school shall:

- ~~(1) submit a written grievance procedure designed to resolve disputes between current and former students and the school for Commission approval;~~
- ~~(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; and~~
- ~~(4) diligently work to resolve all complaints at the local school level.~~

§807.222. Complaints and Investigations.

- ~~(a) The Commission may investigate a complaint about a school and 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; and~~
 - ~~(5) any other reasonable matter deemed appropriate.~~~~
- ~~(b) The Commission may require documentation or other evidence of the violation before initiating a complaint investigation.~~
- ~~(c) The investigation fee authorized by the Act is based on a per site visit. The school director shall be notified that an on-site visit was conducted when the investigation results in assessment of a fee.~~

SUBCHAPTER P. TRUCK DRIVER TRAINING PROGRAMS

§807.231. General Information Relating to Truck Driver Training.

~~A school providing truck driver training shall ensure that the truck driver instructors complete a 40-clock hour truck driver instructor development course.~~

§807.232. Truck Driver Instructor Development Course.

- ~~(a) A school shall apply to the Commission for approval to provide a truck driver instructor development course.~~

- (b) ~~The instructor development course shall consist of 40 clock hours, which includes at least the following topics.~~
- ~~(1) Five hours shall cover techniques of instruction including: qualities of a competent instructor, the learning process, methods of teaching, development of efficient teaching habits, demonstration teaching, the use of instruction material and training aids, course preparation, lesson plans, testing and evaluation, and the duration and frequency of lessons.~~
 - ~~(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, etc.; 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 and gauges; compartment adjustments seat, ventilation, mirrors, headrests, seat belts, and shoulder harness; starting the engine and warm-up procedures; safety devices door locks, headrests; and miscellaneous features windshield wipers, heater, and defroster.~~

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

~~§807.233. Behind the Wheel Instruction.~~

~~A school providing behind the wheel instruction shall ensure that the instruction includes:~~

- ~~(1) actual driving practice while the motor vehicle is in motion;~~
- ~~(2) no more than four persons, excluding the instructor, occupying any motor vehicle during the behind the wheel instruction;~~
- ~~(3) notice in all contracts and advertisements of behind the wheel instruction being conducted with groups of students, if applicable; and~~
- ~~(4) credit toward satisfying minimum standards for behind the wheel instruction for only actual time spent behind the wheel in vehicle operation.~~

~~§807.234. Motor Vehicle Insurance.~~

~~A school providing truck driver training shall ensure that:~~

- ~~(1) a current list of vehicles used in truck driver training is filed with the Commission on a form provided by the Commission;~~
- ~~(2) an insurance certificate accompanies each motor vehicle used in training and is filed with the Commission on or before the date the school files an original or renewal application for approval of the program with the Commission;~~

- ~~(3) an insuring company or carrier issues an insurance certificate on a form furnished by the Commission directly to the Commission, which states the insurance company or carrier has issued a policy or policies of insurance, and the amounts of insurance for each vehicle listed on the list of vehicles used in truck driver training;~~
- ~~(4) a written notice is provided to the Commission by registered or certified mail at least 10 days prior to the expiration date of insurance coverage of a listed vehicle; and~~
- ~~(5) a copy of the written notice of cancellation of insurance on any listed vehicle is provided to the Commission by registered or certified mail immediately upon receipt of notice by the school.~~

~~§807.235. Prohibited Activities Regarding Truck Driver Training.~~

- ~~(a) A school, a trainer of truck driver instructors, or a truck driver instructor shall not:~~
 - ~~(1) allow an instructor to give instruction or allow a student to secure instruction in the classroom or in a motor vehicle if that instructor or student is using or exhibits any evidence or effect of an alcoholic beverage, controlled substance, or other such impairment;~~
 - ~~(2) permit a student to operate a motor vehicle without a valid driver's license or instruction permit in the student's possession during behind-the-wheel instruction;~~
 - ~~(3) permit more than a ratio of four students per vehicle and three vehicles per instructor on truck driving ranges;~~
 - ~~(4) permit more than four students per vehicle per instructor during street instruction for truck driver training; or~~
 - ~~(5) advertise or otherwise state or imply that a driver's license or permit is guaranteed or assured to any student or individual who may take or complete any instruction or course of instruction, enroll, or otherwise receive instruction in any truck driver training school.~~
- ~~(b) The Commission may suspend, revoke, or refuse to renew approval of a truck driver instructor or a trainer of truck driver instructors, upon determining that the applicant or instructor has been:~~
 - ~~(1) convicted under the laws of this state, another state, or the United States of any felony; of an offense of criminally negligent homicide committed as a result of the person's operation of a motor vehicle; of an offense involving driving while intoxicated or under the influence; or of an offense involving tampering with a governmental record; or~~
 - ~~(2) found incompetent or is incompetent to:~~
 - ~~(A) safely operate a motor vehicle; or~~
 - ~~(B) properly conduct classroom or behind-the-wheel instruction.~~

SUBCHAPTER Q. ~~CLOSED SCHOOLS~~

§807.251. ~~School Closures.~~

- ~~(a) The Commission may declare a school to be closed when:
 - ~~(1) written notification is received by the Commission from the school owner stating the school will close;~~
 - ~~(2) Commission determines that the school facility has been vacated without prior notification of a change of address given to the Commission;~~
 - ~~(3) an owner with multiple school locations transfers all students from one school location to another school location;~~
 - ~~(4) the school dismisses all students, contrary to the school's class schedule as printed in the school catalog; or~~
 - ~~(5) the school fails to maintain the faculty, facilities, equipment, or courses of instruction on the basis for which approval was issued.~~~~
- ~~(b) After the Commission determines that a school will close or is closed, the Commission will attempt to notify students concerning their options to accept a teach out or to receive a proportional tuition refund based on available funds. Notification to students may include constructive notice in news media, student meetings, or mailings to students.~~
- ~~(c) Each teach out requires approval of the Commission to determine whether the course of instruction is available, reasonable, and comparable with the course of instruction of the closed school. The teach out is subject to the following conditions:
 - ~~(1) Transfers of students from a closed school to another school under the same ownership shall not constitute a teach out.~~
 - ~~(2) In order to be eligible for a teach out, students shall submit a signed statement of acceptance to the teach out school by the deadline as established by the Commission.~~
 - ~~(3) The school offering the teach out shall give credit for all comparable training received at the closed school, as determined by the Commission.~~~~

§807.252. ~~Tuition Trust Account.~~

- ~~(a) In a year in which the Commission determines it is necessary to charge a fee under §132.2415(b) of the Act, each school shall make a payment to the tuition trust account at the time the school renewal fee is paid.~~
- ~~(b) The amount in the tuition trust account, as provided in the Act, is an accrued balance. The accrued balance is the cash balance of the tuition trust account less the sum of the accrued liabilities from unpaid student refunds and teach out claims.~~
- ~~(c) Disbursements shall be made from the tuition trust account for student refunds and reimbursable teach out expenses incurred during each 12 month period ending August 31, and shall be:
 - ~~(1) made first for student refunds in accordance with §132.2415(d) of the Act;~~~~

- ~~(2) disbursed for reimbursable teach-out expenses based upon remaining funds; and~~
- ~~(3) calculated after other funding sources have been determined.~~
- ~~(d) Following the graduation or termination of the students from the teach-out school, the teach-out school shall determine actual expenses and submit a claim for reimbursement to the Commission on or before the date provided in the application packet. The teach-out school shall:
 - ~~(1) not claim expenses for facilities, equipment, utilities, or other items which were owned, rented, used, or otherwise obligated by the school prior to the Commission's approval of the teach-out program, even though such items may be used for the teach-out program;~~
 - ~~(2) be limited to expenses for tuition and fees that are non-recoverable from all financial resources, including grants and loans; and~~
 - ~~(3) ensure that the sum of the tuition and fees paid to the student's account at the closed school and the teach-out school is the lesser amount the student would have been charged for the complete program at the closed school or the teach-out school.~~~~
- ~~(e) For schools in their first two years of operation that have not been required to furnish financial statements to comply with §807.35(b), the payment to the tuition trust account shall be calculated at the rate determined by the Commission using the projected gross amount of tuition and fees, as required in §807.33(c), to be charged by the school for the year in which the payment is collected. Once the school has submitted the actual amount of tuition and fees collected by the school in compliance with §807.35(b), the Commission shall reconcile the projected and actual amounts of tuition and fees collected. Upon reconciliation, the Commission shall determine if the school is entitled to a refund or must pay an additional amount to the tuition trust account.~~

SUBCHAPTER R. CEASE AND DESIST ORDERS

§807.271. Definitions Relating to Cease and Desist Orders.

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

- ~~(1) Hearing — hearing is an informal, orderly, and readily available proceeding held before an impartial hearing officer. At hearing, a party may present evidence to show that the request for the issuance of a cease and desist order should be granted or denied.~~
- ~~(2) Hearing officer — hearing officer is a Commission employee designated to conduct a fair hearing and issue written findings of fact, conclusions of law and an administrative decision concerning the request for the issuance of a cease and desist order.~~
- ~~(3) Party — the person or Commission, with the right to participate in the hearing authorized by the Act.~~

- (4) ~~Person—Any individual, firm, partnership, association, corporation or other private entity or combination that is allegedly operating a career school or college without a certificate of approval issued by the Commission under the Act.~~

~~§807.272. Statement of Charges and Notice of Hearing on Cease and Desist Orders.~~

~~Upon application by the staff of the Commission if it is believed a person is operating a career school or college without a certificate of approval in violation of §132.151 of the Act, the Executive Director may issue a statement of charges and notice of hearing to consider the issuance of a cease and desist order.~~

~~§807.273. Contents of Statement of Charges and Notice of Hearing.~~

~~The statement of charges and notice of hearing issued by the Executive Director must contain the following information:~~

- ~~(1) the name and last known address of the person against whom the order may be entered;~~
- ~~(2) a short and plain statement of the reasons the Commission believes the person is operating a career school or college without a certificate of approval;~~
- ~~(3) a copy of the Commission's Career Schools and Colleges rules, Title 40, Chapter 807 of the Administrative Code; and,~~
- ~~(4) the date, time and location of the hearing.~~

~~§807.274. Service of Statement and Charges and Hearing Notice for the Issuance of Cease and Desist Orders.~~

~~The statement of charges and notice of hearing to consider a cease and desist order shall be served by Certified Mail, Return Receipt Requested, on the person against whom the order may be entered. Notice is presumed received 5 days from the date it is mailed by the Executive Director.~~

~~§807.275. Agreements to Hold the Hearing at a Later Date.~~

~~Agreements to hold the hearing at a later date must be mutual, in writing and submitted to the designated hearing officer no later than 2 days prior to the date of the scheduled hearing.~~

~~§807.276. Hearing.~~

- ~~(a) The hearing for consideration of the issuance of a cease and desist order shall be held in person before a hearing officer appointed by the Commission and conducted in Austin, Texas.~~
- ~~(b) At the hearing, the Commission shall present evidence in support of its request for the issuance of the cease and desist order demonstrating that the person is operating a career school or college without a certificate of authority.~~
- ~~(c) The person or the person's hearing representative may present evidence to rebut the Commission's request for the issuance of the cease and desist order.~~

~~§807.277. Evidence.~~

- ~~(a) Evidence Generally. The parties are not bound by technical rules of evidence. Evidence will be admitted and given probative effect if it possesses probative value and is relevant as determined by the hearing officer.~~
- ~~(b) Exchange of Documentary Evidence. Any documentary evidence to be presented during the hearing shall be exchanged with all parties with a copy to the hearing officer 5 days in advance of the hearing. A party has the right to review, upon request, any documentary materials submitted to or by the hearing officer.~~
- ~~(c) Stipulations. The parties, with the consent of the hearing officer, may agree in writing to the facts involved.~~
- ~~(d) Discovery. The hearing officer may order other forms of discovery deemed appropriate.~~
- ~~(e) Experts and Evaluations. The hearing officer may order, on its own motion or at a party's request and expense, if relevant and useful, an independent expert or a professional evaluation from a source satisfactory to the parties and the Commission.~~
- ~~(f) Ex parte communications. Private (ex parte) communications of information, whether oral or written, about the substantive issues concerning the hearing are allowed only if the substance is shared with all parties. The hearing officer will provide all parties with the oral or written information.~~
- ~~(g) Confidential information. Statutorily confidential information shall be protected in accordance with state and federal law.~~

~~§807.278. Hearing Officer Disqualification and Withdrawal.~~

- ~~(a) A hearing officer is disqualified if the hearing officer directly participated in the recommendation to set the hearing to consider the issuance of a cease and desist order. The hearing officer participated if the hearing officer:
 - ~~(1) reviewed either the file or a summary of it to assist in making the recommendation; or~~
 - ~~(2) has a personal interest in the outcome of the hearing.~~~~
- ~~(b) The hearing officer may withdraw from the hearing to avoid the appearance of impropriety or partiality. Upon withdrawal, the Commission will select an alternate hearing officer.~~

~~§807.279. Hearing Procedure.~~

- ~~(a) General Procedure. All hearings shall be conducted informally and in such manner as to ascertain the substantial rights of the parties. The hearing officer shall develop the evidence. All issues relevant to the request for the issuance of a cease and desist order shall be considered and addressed.
 - ~~(1) Presentation of Evidence. When a party appears, the hearing officer shall place the party and any witnesses under oath, examine such party and the party's witnesses, if any, and allow presentation of witnesses and other evidence by each party as may be pertinent.~~~~

- ~~(2) Cross Examination. — The parties, witnesses and evidence are subject to cross-examination by the other parties or the hearing officer. A party has the right to object to and confront evidence offered at hearing by the hearing officer or the other parties.~~
- ~~(3) Additional Evidence. — The hearing officer, with or without notice to any of the parties, may request, receive and enter into the record such additional evidence as necessary for a full and fair hearing on the matter, provided that a party shall be given an opportunity to rebut such evidence if it is to be used against the party's interest.~~
- ~~(b) Hearing Representative. — Each party may authorize a hearing representative to assist in presenting the argument and evidence of the party. A hearing representative is any individual authorized by a party who assists the party in presenting its argument and evidence.~~
- ~~(c) Records.~~
 - ~~(1) The hearing shall be tape recorded and the hearing record will include the audiotape of the proceeding and any relevant evidence relied on by the hearing officer in reaching the decision, including any electronic printouts.
 - ~~(A) A party may request a copy of the audiotaped hearing at no cost.~~
 - ~~(B) A party requesting a transcript of a proceeding must pay the cost of transcription.~~~~
 - ~~(2) The hearing record must be maintained as long as required by federal or state law.~~

~~§807.280. Continuance of Hearing.~~

- ~~(a) A continuance of a hearing may be ordered at the discretion of the hearing officer if:
 - ~~(1) there is insufficient evidence upon which to make a decision;~~
 - ~~(2) a party needs additional time to examine evidence presented at the hearing;~~
 - ~~(3) the hearing officer considers it necessary to consult additional sources for information or testimony; or~~
 - ~~(4) any other reason deemed appropriate by the hearing officer.~~~~
- ~~(b) The hearing officer must advise the parties of the reason for the continuance and any additional information required. Any testimony taken by the hearing officer at the continuance of the hearing must be taken under oath and recorded. The parties will have an opportunity to rebut any additional evidence.~~

~~§807.281. Hearing Decision and Final Review by the Commissioners.~~

- ~~(a) Within 10 days after the hearing is held, the hearing officer shall issue a written decision granting or denying the request for the issuance of a cease and desist order that includes findings of fact and conclusions of law. The hearing decision shall be mailed by Certified Mail, Return Receipt Requested, and is presumed received 5 days from the date it is mailed. The hearing officer's decision is final unless an appeal is filed under subsection (b).~~

~~(b) A party that is not satisfied with the decision of the hearing officer may file a written appeal of the decision to the Commission for a final review no later than the 15th day after receipt of the hearing decision. The written appeal shall contain the party's arguments as to why the decision of the hearing officer should be reversed. A party may request oral argument on the written appeal before the Commission. If oral argument is approved, each party or its hearing representative may present argument in support of its position.~~

~~(c) Upon receipt of the written appeal of the hearing officer's decision, the Commission shall consider the appeal and issue a decision within 30 days. If oral argument is requested by a party and approved, the Commission shall schedule and hold oral argument within 20 days of receipt of the written appeal. The Commission shall consider the appeal on the basis of the record made before the hearing officer. The decision of the Commission shall be mailed by Certified Mail, Return Receipt Requested, and is presumed received 5 days from the date it is mailed.~~

~~§807.282. Effect of the Cease and Desist Order.~~

~~(a) If the request for the issuance of a cease and desist order is granted, the Executive Director shall issue a cease and desist order against the person that is found operating a career school or college without a certificate of approval in violation of §132.151 of the Act.~~

~~(b) The cease and desist order shall be delivered by Certified Mail, Return Receipt Requested, and is presumed received five days from the date it is mailed.~~

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

~~(d) The cease and desist order shall remain in effect until the person comes into complete compliance with the Act, or unless otherwise provided by the order of the Commission.~~