

House Bill 448

By: Representatives Williams of the 119th, Jasperse of the 11th, Dempsey of the 13th, and Gardner of the 57th

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 3 of Title 20 of the Official Code of Georgia Annotated, relating to
2 postsecondary education, so as to require certain education and postsecondary educational
3 institutions to qualify for exemptions with the Nonpublic Postsecondary Education
4 Commission and the maintenance of exemptions provided for under such part; to provide for
5 an exception; to provide for the promulgation of rules, regulations, and policies for the
6 effectuation of such exemptions; to revise the membership of the Nonpublic Postsecondary
7 Education Commission; to provide for completion of current terms of appointment to the
8 commission; to revise the membership of the Board of Trustees of the Tuition Guaranty Trust
9 Fund; to provide for related matters; to provide for an effective date; to repeal conflicting
10 laws; and for other purposes.

11 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

12 style="text-align:center">**SECTION 1.**

13 Chapter 3 of Title 20 of the Official Code of Georgia Annotated, relating to postsecondary
14 education, is amended in Code Section 20-3-250.3, relating to educational institutions
15 exempted from application of part, by revising subsection (a) and adding a new subsection
16 to read as follows:

17 "(a) The following education and postsecondary educational institutions ~~are~~ shall be
18 exempted from this part except as expressly provided to the contrary and upon qualification
19 with the commission pursuant to subsection (e) of this Code section:

20 (1) Institutions exclusively offering instruction at any or all levels from preschool
21 through the twelfth grade regardless of the age of the student;

22 (2) Education sponsored by a bona fide trade, business, professional, or fraternal
23 organization, so recognized by the commission, solely for that organization's membership
24 or offered on a no-fee basis, not granting degrees;

25 (3) Education solely avocational or recreational in nature, as determined by the
26 commission, and institutions, not granting degrees, offering such education exclusively;

- 27 (4) Postsecondary educational institutions established, operated, governed, or licensed
28 by this state, its agencies, or its political subdivisions, as determined by the commission;
- 29 (5) Any flight school which holds an applicable federal air agency certificate issued by
30 the administrator of the Federal Aviation Administration;
- 31 (6) Nonpublic, nonprofit, postsecondary educational institutions which demonstrate
32 annually to the satisfaction of the commission that their purposes are solely to provide
33 programs of study in theology, divinity, religious education, and ministerial training, and
34 that they do not grant postsecondary degrees of a nonreligious nature and that such
35 institutions:
- 36 (A) Accept no federal or state funds; and
- 37 (B) Accept no student who has a federal or state education loan to attend such
38 institutions;
- 39 (7) Subject to the requirements of subsection (c) of Code Section 20-3-250.6, nonpublic
40 law schools ~~not~~ accredited by the American Bar Association ~~which are subject to the~~
41 ~~regulations and standards established by the Georgia Supreme Court for such schools~~
42 whose principal office and campus are located in this state and which are not qualified
43 for exemption under any other paragraph of this subsection; provided, however, that such
44 nonpublic law schools shall be subject to the provisions of Code Section 20-3-250.14 for
45 the purposes of satisfying the requirements of 34 C.F.R. Section 668.43(b) and shall
46 designate the commission as the recipient of complaints from students of such nonpublic
47 law school as a prerequisite for such nonpublic law school's acceptance of federal student
48 financial aid funds; and provided, further, that the designation provided under this
49 paragraph shall be provided solely to the extent necessary for institutional compliance of
50 such nonpublic law school with the laws and regulations governing federal student
51 financial aid and shall not affect, rescind, or supersede any preexisting authorizations,
52 charters, or recognition;
- 53 (8) Nonpublic postsecondary educational institutions conducting postsecondary activity
54 on the premises of military installations located in this state which are solely for military
55 personnel stationed on active duty at such military installations, their dependents, or
56 Department of Defense employees and other civilian employees of that installation;
- 57 (9) A school where the sole purpose of the instructional program is review or preparation
58 for a specific occupational examination recognized by a government agency or bona fide
59 trade, business, or fraternal organization and where the student's occupational training
60 received from another school already makes the student eligible to sit for the
61 examination;
- 62 (10) Subject to the requirements of subsection (c) of Code Section 20-3-250.6, any
63 nonpublic, nonprofit college or university granting baccalaureate degrees whose principal

64 office and campus are located in this state and its related graduate and professional
65 programs, which have been in existence ten or more years as a nonpublic, nonprofit
66 college or university and is accredited by a national or regional accrediting agency
67 recognized by the United States Department of Education; provided, however, that such
68 nonpublic, nonprofit college or university shall be subject to the provisions of Code
69 Section 20-3-250.14 for the purposes of satisfying the requirements of 34 C.F.R. Section
70 668.43(b) and shall designate the commission as the recipient of complaints from
71 students of such nonpublic, nonprofit college or university as a prerequisite for such
72 nonpublic, nonprofit college's or university's acceptance of federal student financial aid
73 funds; and provided, further, that the designation provided for under this paragraph shall
74 be provided solely to the extent necessary for institutional compliance of such nonpublic,
75 nonprofit college or university with the laws and regulations governing federal student
76 financial aid and shall not affect, rescind, or supersede any preexisting authorizations,
77 charters, or recognition;

78 (11) Subject to the requirements of subsection (c) of Code Section 20-3-250.6, any
79 liberal arts college or university whose principal office and campus are located in this
80 state and its related graduate and professional programs, if any, which was chartered prior
81 to 1955 as a nonpublic, nonprofit, degree-granting institution, provided that it is
82 accredited by a regional or national accrediting agency recognized by the United States
83 Department of Education; and provided, further, that such liberal arts college or
84 university shall be subject to the provisions of Code Section 20-3-250.14 for the purposes
85 of satisfying the requirements of 34 C.F.R. Section 668.43(b) and shall designate the
86 commission as the recipient of complaints from students of such liberal arts college or
87 university as a prerequisite for such liberal arts college's or university's acceptance of
88 federal financial aid funds; and provided, further, that the designation provided for under
89 this paragraph shall be provided solely to the extent necessary for institutional
90 compliance of such liberal arts college or university with the laws and regulations
91 governing federal student financial aid and shall not affect, rescind, or supersede any
92 preexisting authorizations, charters, or recognition;

93 (12) Any institution offering only education or training in income tax theory or income
94 tax return preparation when the total contract price for such education or training does not
95 exceed \$1,000.00, provided that the total charges incurred by any student for all
96 instruction, other than instruction which is solely avocational or recreational in nature as
97 provided in paragraph (3) of this subsection, do not exceed \$1,000.00 in any one calendar
98 year;

99 (13) Subject to the requirements of subsection (c) of Code Section 20-3-250.6, any
100 nonpublic medical school accredited by the Liaison Committee on Medical Education

101 and a national or regional accrediting agency recognized by the United States Department
102 of Education; and

103 (14) Any college or university that confers both associate and baccalaureate or higher
104 degrees, that is accredited by the Southern Association of Colleges and Schools, College
105 Division, that is operated in a proprietary status, that provides a \$200,000.00 surety bond,
106 and that contributes to the Tuition Guaranty Trust Fund pursuant to Code Section
107 20-3-250.27; provided, however, that such college or university shall be subject to the
108 provisions of Code Section 20-3-250.14 for the purposes of satisfying the requirements
109 of 34 C.F.R. Section 668.43(b) and shall designate the commission as the recipient of
110 complaints from students of such college or university as a prerequisite for such college's
111 or university's acceptance of federal student financial aid funds; and provided, further,
112 that the designation provided for under this paragraph shall be provided solely to the
113 extent necessary for institutional compliance of such college or university with the laws
114 and regulations governing federal student financial aid and shall not affect, rescind, or
115 supersede any preexisting authorizations, charters, or recognition."

116 "(e) Except for postsecondary educational institutions exempted from this part pursuant
117 to paragraph (4) of subsection (a) of this Code section, the commission shall establish and
118 promulgate rules, regulations, and policies for education and postsecondary educational
119 institutions to establish their qualifications for an exemption, or maintenance of such
120 exemption, as provided for under subsection (a) of this Code section."

121 SECTION 2.

122 Said chapter is further amended in Code Section 20-3-250.4, relating to the Nonpublic
123 Postsecondary Education Commission, by revising subsections (a) and (b) and by adding a
124 new subsection to read as follows:

125 "(a) There is established the Nonpublic Postsecondary Education Commission consisting
126 of 15 members whose membership shall be as provided for pursuant to subsections (b) and
127 (b.1) of this Code section and who shall be appointed by the Governor and confirmed by
128 the Senate. ~~One member shall be appointed from each congressional district and the~~
129 remaining member shall be appointed as an at-large member. ~~Members serving a term of~~
130 appointment on January 1, 2015, shall complete their terms of appointment; thereafter,
131 members ~~Members~~ of the commission shall be appointed for terms of three years each.
132 Each member shall serve for the term of office to which the person is appointed and until
133 a successor is appointed, confirmed, and qualified, ~~except where provided otherwise by this~~
134 Code section. Members may be appointed to succeed themselves but shall not serve for
135 more than two full consecutive terms.

136 (b) At least one member ~~Two members~~ of the commission shall be appointed to represent
 137 degree-granting nonpublic postsecondary educational institutions, ~~and two members at~~
 138 least one member shall be appointed to represent nonpublic postsecondary educational
 139 institutions which grant certificates only, and at least one member shall be appointed to
 140 represent exempt education and postsecondary educational institutions as provided in
 141 subsection (a) of Code Section 20-3-250.3. The remaining members shall not be employed
 142 by or otherwise represent or have an interest in any nonpublic postsecondary educational
 143 institution.

144 (b.1)(1) Members serving a term of appointment which existed on January 1, 2017, shall
 145 complete such terms of appointment.

146 (2) Members serving a term of appointment which ended prior to, or ends on, June 30,
 147 2017, shall complete their terms of service on June 30, 2017.

148 (3) On July 1, 2017, one member shall be appointed to begin a term of appointment
 149 pursuant to the requirements of this Code section.

150 (4) Members serving a term of appointment which ends on June 30, 2018, shall complete
 151 their terms of service on June 30, 2018.

152 (5) On July 1, 2018, ten members shall be appointed to begin terms of appointment
 153 pursuant to the requirements of this Code section.

154 (6) After the occurrence of paragraphs (1) through (5) of this subsection, the commission
 155 shall consist of 11 members who shall be appointed pursuant to the requirements of this
 156 Code section."

157 SECTION 3.

158 Said chapter is further amended in Code Section 20-3-250.27, relating to the Tuition
 159 Guaranty Trust Fund, by revising paragraph (2) of subsection (b) as follows:

160 (2) The fund shall be administered by the Board of Trustees of the Tuition Guaranty
 161 Trust Fund. The board of trustees shall consist of five members of the commission
 162 designated by majority vote of the commission, ~~but one of such members shall be a~~
 163 ~~representative of a nonpublic nondegree-granting postsecondary educational institution,~~
 164 ~~and one of such members shall be a representative of a nonpublic degree-granting~~ where
 165 at least two members shall represent postsecondary educational ~~institution~~ institutions.

166 The five members of the commission who are so designated shall serve for such terms
 167 of office as members of the board as the commission shall establish by rule or regulation.

168 The commission shall appoint one of the members so designated as chairman of the
 169 board. The executive director shall also serve as executive director and secretary of the
 170 board. Three members of the board must vote in agreement in order for the board to take
 171 official action. The commission may by rule or regulation provide for another member

172 of the commission to serve in the place of a member of the board who is absent from a
173 meeting of the board.

174 **SECTION 4.**

175 This Act shall become effective upon its approval by the Governor or upon its becoming law
176 without such approval.

177 **SECTION 5.**

178 All laws and parts of laws in conflict with this Act are repealed.