

**LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS**

Bill Number: CS/SB 638

51st Legislature, 1st Session, 2013

Tracking Number: .193443.1

Short Title: Registration of Private Colleges

Sponsor(s): Senator Timothy M. Keller

Analyst: Travis Dulany

Date: February 28, 2013

SENATE JUDICIARY COMMITTEE SUBSTITUTE FOR SENATE BILL 638

Bill Summary:

CS/SB 638 amends the *Post-Secondary Educational Institution Act* to:

- remove exceptions from the act for private, regionally accredited colleges or universities that provide education comparable to that provided by public colleges or universities;
- require private colleges or universities that are required to register with the Higher Education Department (HED) to adopt a procedure for the resolution of student complaints;
- provide that a private college's or university's registration with HED is valid for the same time period as its grant of regional accreditation;
- require registered colleges or universities to post a surety bond with HED; and
- allow HED to revoke the registration of a postsecondary educational institution if the institution has had its regional accreditation revoked by its accrediting agency.

The bill's short title states that the bill brings New Mexico into compliance with US Department of Education (USDE) requirements.

Fiscal Impact:

CS/SB 638 makes no appropriation.

The Fiscal Impact Report from the Legislative Finance Committee (LFC) for HB 467, an identical bill, notes that the legislation:

- would require HED to revise its regulations and implement the registration and validation process described in the bill; and
- the LFC budget recommendation includes two additional FTEs for expansion of HED's Private and Proprietary Schools Program to be funded with other revenues and restricted fund balance.

The *Post-Secondary Educational Institution Act*:

- allows HED to assess each private institution application fees between \$200 and \$5,000; and

- provides for “a reasonable administrative fee not to exceed the actual cost of providing the administrative service.”

HED reports that the department is not currently charging the maximum fees permitted by law and can, therefore, raise fees to cover costs.

Substantive Issues:

According to HED, CS/SB 638:

- relates to changes in federal law;
- makes New Mexico compliant with sections in the *Code of Federal Regulations*¹;
- would apply only to institutions that have a “physical presence” in New Mexico, though the department also notes that “physical presence” is broadly defined and newly established federal law does not include postsecondary institutions that offer only distance and online education; and
- along with all other states, the department received a letter from the USDE on January 23, 2013, advising the state that compliance with the above-mentioned federal law is mandatory by July 1, 2013.

Committee Referrals:

SEC/SJC

Related Bills:

HB 467 *Registration of Accredited Colleges* (Identical)

¹ 34 C.F.R. Section 600.9