

**PUBLIC CHAPTER NO. 1103****SENATE BILL NO. 3789****By Kurita, Woodson, Marrero****Substituted for: House Bill No. 3857****By Odom, McCord**

AN ACT to amend Tennessee Code Annotated, Title 49, relative to education.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 49, Chapter 7, Part 1, is amended by adding the following language as a new, appropriately designated section:

§ 49-7-1\_.

No person, agent, group or entity of whatever kind, alone or in concert with others, shall:

(1) Operate in this state a postsecondary educational institution unless prior to a student signing an enrollment contract or agreement, the institution provides any prospective student a written disclosure about "transferability of credits" in the form set forth in subsection (2) below. The disclosure required by this section shall be on a document containing no other disclosures and shall be printed in a type not less than sixteen (16) point font. The student shall initial and date a copy of the written information to indicate that the student was given the required disclosures prior to executing an enrollment contract or agreement.

(2) The disclosure on the transferability of credits shall be as follows:

Credits earned at [name of institutions giving disclosure] may not transfer to another educational institution. Credits earned at another educational institution may not be accepted by [name of institutions giving disclosure]. You should obtain confirmation that [name of institutions giving disclosure] will accept any credits you have earned at another educational institution before you execute an enrollment contract or agreement. You should also contact any educational institutions that you may want to transfer credits earned at [name of institutions giving disclosure] to determine if such institutions will accept

credits earned at [name of institutions giving disclosure] prior to executing an enrollment contract or agreement. The ability to transfer credits from [name of institutions giving disclosure] to another educational institution may be very limited. Your credits may not transfer and you may have to repeat courses previously taken at [name of institutions giving disclosure] if you enroll in another educational institution. You should never assume that credits will transfer to or from any educational institution. It is highly recommended and you are advised to make certain that you know the transfer of credit policy of [name of institutions giving disclosure] and of any other educational institutions you may in the future want to transfer the credits earned at [name of institutions giving disclosure] before you execute an enrollment contract or agreement.

(3) If a postsecondary institution does not require a student to sign an enrollment contract or agreement, then information on how to obtain the institution's transfer of credit policy shall be included in the letter of acceptance or other such document sent by the postsecondary institution to the student. Such information shall be sent to the student prior to the institution requesting any payment from the student other than an application fee or a housing deposit.

(4) Information required under this section to be disclosed in writing to prospective students shall also be posted on the institution's Web site.

SECTION 2. Tennessee Code Annotated, Title 49, Chapter 7, Part 20, is amended by adding the following language as a new, appropriately designated section:

§ 49-7-20\_\_.

Information related to graduation, job placement and tuition costs required to be provided to the commission shall also be provided in writing to a prospective student for the specific field of study in which the student is considering enrolling. Tuition cost information shall also be posted on the institution's Web site. Institutions subject to the provisions of this section shall post a link to the commission's Web site which will provide job placement and graduation information for each program offered by such institution. The institutions shall include a clear reference on their Web sites of the availability of such data on the commission's Web site and shall provide a link to the commission's Web site directly below such reference.

SECTION 3. Tennessee Code Annotated, Title 49, Chapter 7, Part 20, is amended by adding the following language as a new, appropriately designated section:

## § 49-7-20\_\_.

(a)(1) A postsecondary institution authorized to operate in this state under § 49-7-2008 shall provide an addendum to any enrollment contract or agreement entered into on or after notification is received by the institution of any final decision by the commission that its authorization or reauthorization is on a conditional basis, provided that the final decision includes a determination by the commission that public disclosure of the limitation or restriction is necessary to protect the public interest. A decision of the commission shall not be a final decision until it is final under the Tennessee Uniform Administrative Procedures Act. Such addendum shall notify the student of such conditional authorization. Such addendum shall be entitled: "Notice of Conditional Authorization" and shall be signed and dated by the student.

(2) If the institution has been notified of a final decision to place it on conditional authorization to operate as provided in subsection (1) hereof, the statement shall explicitly set forth the standards that the institution failed to meet and the conditions under which the executive director or the commission placed the institution on conditional authorization. The commission shall specify in the final decision the matters required to be disclosed in the statement. The statement shall also state that continued failure to meet the conditions may result in the school's loss of authorization to operate in Tennessee. All information concerning conditional or probationary authorization shall be in bold face type.

(b) The information required under subsection (a) shall also be posted on the institution's Web site in bold face type.

SECTION 4. Tennessee Code Annotated, Title 49, Chapter 7, Part 1, is amended by adding the following language as a new, appropriately designated section:

## § 49-7-1\_\_.

The comptroller of the treasury shall study and report to the general assembly by February 1, 2009, concerning the following:

Current practices and sources of student loans at all institutions of higher education operating in the state. The Tennessee Student Assistance Corporation shall develop a student disclosure form to provide notice of the specifics of loans consistent with state and federal law on the subject.

SECTION 5. Any information required by this act to be placed on a contract, agreement or other document or posted on a Web site shall be so placed by January 1, 2009.

SECTION 6. This act shall take effect July 1, 2008, the public welfare requiring it.

**PASSED: May 15, 2008**

  
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RON RAMSEY  
SPEAKER OF THE SENATE

  
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JIMMY NAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

**APPROVED this 5th day of June 2008**

  
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PHIL BREDEESEN, GOVERNOR