

Exemption from Career Schools and Colleges Regulation Based on Funding Source

[Texas Workforce Commission \(TWC\) – Career Schools & Colleges](#)

Applying for an Exemption

You must apply to TWC for an exemption from regulation of the school or a course. This involves submitting documentation to demonstrate the school or course meets the criteria for one of the regulation exemptions authorized by [Texas Education Code Chapter 132](#). TWC will review your documentation and respond with a letter to let you know whether or not the exemption is granted.

Send your exemption request to:

TWC Career Schools and Colleges
Attn: Exemptions
101 E 15th St, Rm 226T
Austin, Texas 78778-0001

If you have questions concerning the exemption application process, contact TWC Career Schools and Colleges at 512-936-3100 or career.schools@twc.state.tx.us.

Exemption Based on School Funding Source

- Local and/or state funds
- Non-profit: religious, denominational, charitable, public

A. Local and/or State Funds

Exemption Criterion:

A school or educational institution supported by taxation from either a local or state source.

Required Documentation:

To establish that your school is exempt under this section, send a cover letter requesting exemption based on Local and/or State Funds under ***Section 132.002(a)(1)*** and submit all of the following:

1. School contact information: Name, address and telephone number (plus fax, email address and website address, if applicable).
2. Evidence that your school is supported by taxation. More than 50% of the school funds must be tax dollars from either a state or local source.
3. List of course(s) offered.

B. Non-Profit: Religious, Denominational, Charitable, Public

Exemption Criterion:

A non-profit school owned, controlled, operated, and conducted by a bona fide religious, denominational, eleemosynary (charitable), or similar public institutions exempt from property taxation.

Required Documentation:

To establish that your school is exempt under this section, send a cover letter requesting exemption based on Non-Profit: Religious, Denominational, Charitable, Public under ***Section 132.002(a)(2)*** and submit all of the following:

1. Evidence that the school is nonprofit.
 - a. If the school and owner are one and the same, submit the following for the owner: Evidence of owner's nonprofit status with the Internal Revenue Service under Section 501(c)(3). This may be a tax-exempt certificate or letter from the Internal Revenue Service.

A school is considered to be one and the same with the owner if the owner is responsible for all the school's liabilities and assets; the owner's tax return includes the school; all of the school's employees are paid by the owner; and the executive body of the owner run the organization's entire operation, including the school.
 - b. If the school is not one and the same with the owner, submit either evidence of non-profit status for the school with the Internal Revenue Service under Section 501(c)(3) in the form of a tax-exempt certificate or letter from the Internal Revenue Service, or the following for the school in the form of a notarized affidavit:
 - Financial statements, preferably audited, for the most recent fiscal year. These financial statements must be in a form consistent with generally accepted accounting principles and include a statement of financial position, statement of results of operation, and statement of changes in financial position. These financial statements must be prepared by a licensed, independent public accountant or certified public accountant registered with the State Board of Accountancy. Also, included with the financial statements must be a salary schedule that includes each employee's or officer's name, annual salary, and position with the organization.
 - Description of any plan for the distribution of earnings or the sharing of income of the school.
 - Description of the plan for distribution of the assets of the school upon dissolution.
 - Information concerning course income and expenses:
 - State the amount of tuition, fees and other charges for each course of instruction.

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- State the estimated cost per student for each course of instruction and provide a breakdown of expenses.
 - If the cost per student is less than the amount of tuition, fees, and other charges collected for any course, an explanation must be provided for the excess charges.
2. Evidence that the school is owned, controlled, operated and conducted by one of the following (submit evidence as noted):
- a. A bona fide religious or denominational institution.
- Submit the following:
- Notarized affidavit with the name of the religion or denomination and explanation of how it owns, controls, operates, and conducts the school.
 - By-laws and articles of incorporation if the institution is incorporated.
- b. A bona fide eleemosynary (charitable) institution.
- Submit the following:
- Notarized affidavit with the name of the eleemosynary institution and explanation of how it owns, controls, operates and conducts the school (facilities, faculty, subject matter, how tuition is paid). The affidavit must also include information to show that the institution was created for charitable and benevolent purposes, is nonprofit and receives all or more than 50% of its sustaining funds from donations or gifts. The percentage of total funding that these donations and gifts constitute must be given.
 - Statement on whether the Board of Directors receives any remuneration and include information about the fee schedule for instruction, unless previously stated as required under B. 1. b. above.
 - If incorporated, by-laws and articles of incorporation.
3. A public institution similar to a bona fide religious or denominational institution or a bona fide eleemosynary (charitable) institution.
- Submit the following:
- Notarized affidavit with the name of the institution and an explanation of how it owns, controls, operates and conducts the school. The affidavit must also give reasons why you believe this institution to be public and similar to a religious, denominational or eleemosynary institution.
 - By-laws and articles of incorporation if incorporated and provide the appropriate information as requested under B. 2. a. or b. above.
4. Evidence that the school is exempt from property taxation, in the form of a document from the local county taxing authority that shows the institution is exempt from local property taxation.

5. A school or educational institution that participates or intends to participate in student financial aid programs under Title IV, Higher Education Act of 1965 (20 U.S.C. Section 1070 et seq.) must demonstrate that either:
 - a. The school or institution is accredited by a regional or national accrediting organization recognized by the United States secretary of education; or
 - b. The school or institution, or the primary campus* of the school or institution, has been operating continuously in this state for at least 20 years in compliance with state career school regulatory requirements, regardless of the amount of time the current owner has owned the school or institution; or
 - *“Primary campus” means, for educational institutions that are owned and operated by the same owner, the school or institution designated by the owner as the main or principal campus.
 - c. The school or institution:
 - is owned, controlled, operated, and maintained by a religious organization lawfully operating as a nonprofit religious corporation; and
 - awards only degrees or certificates relating to religion, including a certificate of Talmudic studies, an associate of biblical studies degree, a master of divinity degree, or a doctor of divinity degree.
6. Name, address and telephone number (fax number, e-mail address and website, if applicable) of school.
7. Name, objective, length and cost of course(s) offered.
8. Copies of advertisements used, including newspaper and yellow page ads, Web pages and marketing flyers or brochures. If you will not advertise, so state.