



**Substitute Senate Bill No. 335**

**Public Act No. 06-150**

**AN ACT CONCERNING PRIVATE OCCUPATIONAL SCHOOLS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Section 10a-22a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2006*):

[Whenever] As used in sections 10a-22a to 10a-22k, inclusive, as amended by this act, and sections 12 to 16, inclusive, of this act:

(1) "Private occupational school" means a person, board, association, partnership, corporation, limited liability company or other entity offering instruction in any form or manner in any trade, industrial, commercial, [or] service, professional or other occupation for any remuneration, consideration, reward or promise of whatever nature, except "private occupational school" shall not include [(1)] (A) instruction offered under public supervision and control; [(2)] (B) instruction conducted by a firm or organization solely for the training of its own employees or members; or [(3)] (C) instruction offered by a school authorized by the General Assembly to confer degrees;

(2) "Additional classroom site" means a facility that (A) is geographically located close to the school or branch that oversees the site, such that students must utilize services provided at such school or

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branch, (B) conducts permanent or temporary educational activities, and (C) offers courses or full programs of study;

(3) "Board of Governors" means the Board of Governors for Higher Education;

(4) "Branch" means a subdivision of a school (A) located at a different facility and geographical site from the school, except for a site that is an additional classroom site as determined by the commissioner, or the commissioner's designee, and (B) that (i) offers one or more complete programs leading to a diploma or certificate; (ii) operates under the school's certificate of operation; (iii) meets the same conditions of authorization as the school; and (iv) exercises administrative control and is responsible for its own academic affairs; and

(5) "Commissioner" means the Commissioner of Higher Education.

Sec. 2. Section 10a-22b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2006*):

(a) No person, board, association, partnership, corporation, limited liability company or other entity shall offer [occupational] instruction in any form or manner in any trade, or in any industrial, commercial, service, professional or other occupation unless such person, board, association, partnership, corporation, limited liability company or other entity first receives from the [Commissioner of Higher Education] commissioner a certificate authorizing the occupational instruction to be offered.

(b) Except for initial authorizations, the [Commissioner of Higher Education] commissioner shall accept institutional accreditation by an accrediting agency recognized by the United States Department of Education, in satisfaction of the requirements of this section and section 10a-22d, as amended by this act, including the evaluation and

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attendance requirement, unless the commissioner finds reasonable cause not to rely upon such accreditation.

[(b)] (c) Each person, board, association, partnership, corporation, limited liability company or other entity which seeks to offer occupational instruction shall submit to the [Commissioner of Higher Education] commissioner, or the commissioner's designee, in such manner as the commissioner, or the commissioner's designee, shall prescribe, an application for a certificate of authorization which [shall include] includes, but need not be limited to, (1) the proposed name of the school; (2) ownership and organization of the school including the names and addresses of all principals, officers, members and directors; (3) names and addresses of all stockholders of the school, except for applicants which are listed on a national securities exchange; (4) addresses of any building or premises on which the school will be located; (5) description of the occupational instruction to be offered; (6) the proposed student enrollment agreement; (7) the proposed school catalog; [and] (8) financial statements detailing the financial condition of the school prepared by management and reviewed or audited by [a] an independent licensed certified public accountant or independent licensed public accountant; and (9) an agent for service of process. Submitted with an application for initial authorization shall be a nonrefundable application fee in the amount of [five hundred] two thousand dollars made payable to the private occupational school student protection account.

[(c)] (d) Upon receipt of a complete application pursuant to subsection [(b)] (c) of this section, the [Commissioner of Higher Education] commissioner shall cause to be conducted an evaluation of the applicant school. Thereafter, the commissioner shall advise the applicant of authorization or nonauthorization [within ninety] not later than one hundred twenty days following the completed appointment of an evaluation team pursuant to subsection [(d)] (e) of this section.

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The commissioner may consult with the Labor Department and may request the advice of any other state agency which may be of assistance in making a determination. In the event of nonauthorization by the [Commissioner of Higher Education] commissioner, he shall set forth the reasons therefor in writing and the applicant school may request in writing of the Board of Governors [of Higher Education] a hearing pursuant to chapter 54.

[(d)] (e) For purposes of an evaluation of an applicant school, the [Commissioner of Higher Education, or a designee of the commissioner] commissioner, or the commissioner's designee, shall appoint an evaluation team which shall include (1) at least two members representing the Board of Governors, [of Higher Education] and (2) at least one member for each of the areas of occupational instruction for which authorization is sought who shall be experienced in such occupation. The applicant school shall have the right to challenge any proposed member of the evaluation team for good cause shown. A written challenge shall be filed with the commissioner within ten business days following the appointment of such evaluation team. In the event of a challenge, a decision shall be made thereon by the Commissioner of Higher Education within ten business days from the date such challenge is filed, and if the challenge is upheld the Commissioner of Higher Education shall appoint a replacement. Employees of the state or any political subdivision of the state may be members of evaluation teams. The commissioner, or the [designee of the commissioner] commissioner's designee, shall not appoint any person to an evaluation team unless the commissioner, or such designee, has received from such person a statement that the person has no interest which is in conflict with the proper discharge of the duties of evaluation team members as described in this section. The statement shall be on a form prescribed by the commissioner and shall be signed under penalty of false statement. Members of the evaluation team shall serve without compensation. Except for any member of the

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evaluation team who is a state employee, members shall be reimbursed for actual expenses, which expenses shall be charged to and paid by the applicant school.

[(e)] (f) The evaluation team appointed pursuant to subsection [(d)] (e) of this section shall: [conduct an] (1) Conduct an on-site inspection; [and shall submit a written report recommending authorization or nonauthorization by the Commissioner of Higher Education] (2) submit a written report outlining any evidence of noncompliance; (3) give the school sixty days from the date of the report to provide evidence of compliance; and (4) submit to the commissioner a written report recommending authorization or nonauthorization not later than one hundred twenty days after the on-site inspection. The evaluation team shall determine whether [(1)] (A) the quality and content of each course or program of instruction, including, but not limited to, residential, on-line, home study and correspondence, training or study shall reasonably and adequately achieve the stated objective for which such course or program is offered; [(2)] (B) the school has adequate space, equipment, instructional materials and personnel for the instruction offered; [(3)] (C) the qualifications of directors, administrators, supervisors and instructors shall reasonably and adequately assure that students receive education consistent with the stated objectives for which a course or program is offered; [(4)] (D) students and other interested persons shall be provided with a catalog or similar publication describing the courses and programs offered, course and program objectives, length of courses and programs, schedule of tuition, fees and all other charges and expenses necessary for completion of the course or program, [cancellation] termination, withdrawal and refund policies; [(5)] (E) upon satisfactory completion of the course or program, each student shall be provided appropriate educational credentials by the school; [(6)] (F) adequate records shall be maintained by the school to show attendance and grades, or other indicators of student progress, and standards shall be enforced relating

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to attendance and student performance; [(7)] (G) the applicant school shall be financially sound and capable of fulfilling its commitments to students; and [(8)] (H) any student housing owned, leased, rented or otherwise maintained by the applicant school shall be safe and adequate. The evaluation team may also indicate in its report such recommendations as may improve the operation of the applicant school.

Sec. 3. Section 10a-22c of the 2006 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2006*):

(a) No certificate to operate a private occupational school shall be authorized by the [Commissioner of Higher Education] commissioner, or the commissioner's designee, if (1) any principal, officer, member or director of the applicant school has acted in a similar capacity for a private occupational school which has had its authorization revoked pursuant to section 10a-22f, as amended by this act; (2) the applicant school does not have a net worth consisting of sufficient liquid assets or other evidence of fiscal soundness to operate for the period of time for which authorization is sought; (3) the applicant school or any of its agents engages in advertising, sales, collection, credit or other practices which are false, deceptive, misleading or unfair; [or] (4) the applicant school has any policy which discourages or prohibits the filing of inquiries or complaints regarding the school's operation with the [Commissioner of Higher Education] commissioner; (5) the applicant school fails to satisfactorily meet the criteria set forth in subsection (f) of section 10a-22b, as amended by this act; or (6) a private occupational school that has previously closed fails to follow the procedures for school closure under section 14 of this act.

(b) The commissioner may deny a certificate of authorization if the person who owns or intends to operate a private occupational school has been convicted in this state, or any other state, of larceny in

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violation of section 53a-122 or 53a-123; identity theft in violation of section 53a-129b or 53a-129c; forgery in violation of section 53a-138 or 53a-139; or has a criminal record in this state, or any other state, that the commissioner reasonably believes renders the person unsuitable to own and operate a private occupational school. A refusal of a certificate of authorization under this subsection shall be made in accordance with the provisions of sections 46a-79 to 46a-81, inclusive.

[(b)] (c) No certificate to operate a private occupational school shall be issued by the commissioner pursuant to section 10a-22d, as amended by this act, until such private occupational school seeking authorization files with the commissioner certificates indicating that the buildings and premises for such school meet all applicable state and local fire and zoning requirements. Such certificates shall be attested to by the fire marshal and zoning enforcement officer within the municipality in which such school is located.

[(c)] (d) No certificate to operate a new private occupational school shall be issued by the commissioner pursuant to section 10a-22d, as amended by this act, until such private occupational school seeking authorization files with the commissioner an irrevocable letter of credit in the penal amount of twenty thousand dollars guaranteeing the payments required of the school to the private occupational school student protection account in accordance with the provisions of section 10a-22u, as amended by this act. The letter of credit shall be payable to the private occupational school student protection account in the event that such school fails to make payments to the account as provided in subsection (a) of section 10a-22u, as amended by this act, or in the event the state takes action to reimburse the account for a tuition refund paid to a student pursuant to the provisions of section 10a-22v, as amended by this act, provided the amount of the letter of credit to be paid into the private occupational school student protection account shall not exceed the amounts owed to the account. The letter of credit

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required by this subsection shall be [excused once a school has paid in excess of twenty thousand dollars into the private occupational school student protection account or] released eight years [from] after the date of initial approval, [whichever occurs first] provided evidence of fiscal soundness has been verified.

(e) The commissioner shall notify the applicant private occupational school, by certified mail, return receipt requested of the decision to grant or deny a certificate of authorization not later than sixty days after receiving the written report of the evaluation team appointed pursuant to subsection (e) of section 10a-22b, as amended by this act.

Sec. 4. Section 10a-22d of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2006*):

(a) [For] After the initial year of approval and for the [first] next three years of operation as a private occupational school, authorization shall be required annually.

(b) Following [three years] the fourth year of continuous authorization, a renewal of the certificate of authorization, if granted, shall be for a period not to exceed five years and may be subject to an evaluation pursuant to subsections [(d)] (e) and [(e)] (f) of section 10a-22b, as amended by this act, provided no private occupational school shall operate for more than five additional years from the date of any renewal without the completion of an evaluation pursuant to subsections [(d)] (e) and [(e)] (f) of section 10a-22b, as amended by this act.

(c) Renewal of the certificate of authorization shall be [made and continued] granted only upon (1) the annual fee payment to the Board of Governors [of Higher Education] of a nonrefundable fee of [one] two hundred dollars, and [any] an additional fee [required for an extension or] of two hundred dollars for each branch school under

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section 10a-22g, as amended by this act, (2) [review] submission of any [federal] reports or audits concerning the fiscal condition of the school or its continuing eligibility to participate in federal student financial aid programs, [and] (3) the filing with the commissioner of a complete application for a renewed certificate of authorization not less than one hundred twenty days prior to the termination date of the most recent certificate of authorization, [. Such authorization shall not be renewed if the school fails to meet all the conditions of its most recent authorization, except that if a school fails to meet such conditions, the commissioner may for good cause shown, issue a probationary authorization extending its most recent authorization for a period of time not to exceed one year] and (4) a determination that the occupational school meets all the conditions of its recent authorization.

(d) If the commissioner, or the commissioner's designee, determines, at any time during a school's authorization period, that such school is out of compliance with the conditions of authorization under sections 10a-22a to 10a-22k, inclusive, as amended by this act, and sections 12 to 16, inclusive, of this act and any applicable regulations of Connecticut state agencies, the school may be placed on probation for a period not to exceed one year. If, after the period of one year of probationary status, the school remains out of compliance with the conditions of authorization, the commissioner may revoke such school's certificate of authorization to operate as a private occupational school pursuant to section 10a-22f, as amended by this act. During the school's period of probation, the school shall post its probationary certificate of authorization in public view. The Department of Higher Education may publish the school's probationary certificate of authorization status.

[(b)] (e) Notwithstanding the provisions of sections 10a-22a to 10a-22k, inclusive, as amended by this act, and sections 12 to 16, inclusive, of this act, the commissioner may authorize the extension of the most

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recent certificate of authorization for a period not to exceed sixty days for good cause shown, provided such extension shall not change the date of the original certificate's issuance or the date for each renewal.

Sec. 5. Section 10a-22e of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2006*):

(a) During any period of authorization by the [Commissioner of Higher Education] commissioner to operate as a private occupational school pursuant to sections 10a-22a to 10a-22k, inclusive, as amended by this act, and sections 12 to 16, inclusive, of this act, and sections 10a-22u to 10a-22w, inclusive, as amended by this act, such private occupational school may [revise] request revision of the conditions of its authorization. [, provided such] Such school shall [give notice to the Commissioner of Higher Education thirty] make such request to the commissioner, in the manner and on such forms prescribed by the commissioner sixty days prior to the proposed implementation date of any intended revision. Such revision shall include, but not be limited to, changes in (1) courses or programs; (2) ownership of the school; (3) name of the school; [and] (4) location of the [school] school's main campus; or (5) location of any of the school's additional classroom sites or branch campuses.

(b) The commissioner, or the commissioner's designee, may, not later than thirty days after receipt of a request to revise the conditions of authorization, issue an order prohibiting any such change if it would constitute a material or substantial deviation from the conditions of authorization. [In the event of such an order, the school may appeal such action to the Board of Governors of Higher Education pursuant to chapter 54.]

(c) If the commissioner, or the commissioner's designee, fails to take action upon a request for revision by the thirtieth day following the proposed implementation date of the intended revision, such request

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shall be deemed approved, and the private occupational school's certificate of authorization shall be so revised for the same period as its current authorization.

Sec. 6. Section 10a-22f of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2006*):

(a) A certificate of authorization issued to a private occupational school pursuant to sections 10a-22a to 10a-22k, inclusive, as amended by this act, and sections 12 to 16, inclusive, of this act, and sections 10a-22u to 10a-22w, inclusive, as amended by this act, may be revoked by the [Commissioner of Higher Education] commissioner if such school (1) ceases to meet the conditions of its authorization; (2) commits a material or substantial violation of sections 10a-22a to 10a-22k, inclusive, as amended by this act, and sections 12 to 16, inclusive, of this act, or sections 10a-22u to 10a-22w, inclusive, as amended by this act, or the regulations prescribed thereunder; (3) makes a false statement about a material fact in application for authorization or renewal; or (4) fails to make a required payment to the private occupational school student protection account pursuant to section 10a-22u, as amended by this act.

(b) The commissioner, or the commissioner's designee, shall serve written notice, by certified mail, return receipt requested upon a private occupational school indicating that revocation of the school's authorization is under consideration and the commissioner shall set forth the reasons such revocation is being considered. [Upon receipt of such notice the school may file, within seven days, a written request for an administrative review of such consideration of revocation before the Commissioner of Higher Education or his designee. Within twenty-one days after the receipt of such request, the commissioner or his designee shall begin an administrative review and shall complete the review within twenty-one days after beginning the review. Within twenty-one days after the completion of the administrative review, the

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commissioner or his designee shall give written notice of the conclusions of the review to the school. Within fourteen days after receipt of such notice, a school aggrieved by a decision rendered pursuant to an administrative review may request in writing of the Board of Governors of Higher Education a hearing pursuant to chapter 54.] Not later than forty-five days after mailing such written notice, the commissioner, or the commissioner's designee, shall hold a compliance conference with the private occupational school.

(c) If, after the compliance conference, the commissioner determines that revocation of the certificate of authorization is appropriate, the commissioner shall issue an order and serve written notice by certified mail, return receipt requested upon the private occupational school, which notice shall include, but not be limited to, the date of the revocation.

(d) A private occupational school aggrieved by the order of the commissioner revoking its certificate of authorization pursuant to subsection (c) of this section shall, not later than fifteen days after such order is mailed, request in writing a hearing before the Board of Governors. Such hearing shall be held in accordance with the provisions of chapter 54.

Sec. 7. Section 10a-22g of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2006*):

(a) A private occupational school which is authorized by the [Commissioner of Higher Education] commissioner pursuant to sections 10a-22a to 10a-22k, inclusive, as amended by this act, and sections 12 to 16, inclusive, of this act, and sections 10a-22u to 10a-22w, inclusive, as amended by this act, may request authorization to establish and operate [extension] additional classroom sites or branch schools for the purpose of offering the occupational instruction authorized by the commissioner, provided the additional classroom

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site or branch school complies with the provisions of subsection (b) of this section. Such school shall make such request for authorization to operate an additional classroom site or branch school, in the manner and on such forms as prescribed by the commissioner, at least thirty days prior to the proposed establishment of such additional classroom site or branch school.

(b) [(1) the] The buildings and premises for such [extension or branch operation] additional classroom site or branch school shall meet all applicable state and local fire and zoning requirements, and certificates attesting the same signed by the local fire marshal and zoning enforcement officer [are] shall be filed with the [Commissioner of Higher Education] commissioner prior to offering such occupational instruction. [; (2) notice of the extension or branch operation and the course or program of instruction to be offered are filed with the Commissioner of Higher Education not less than thirty days prior to offering such occupational instruction; (3) there is] The additional classroom site or branch school shall be in compliance with the relevant requirements set forth in subsection [(e)] (f) of section 10a-22b, as amended by this act. [; and (4) a] A nonrefundable fee in the amount of [one] two hundred dollars [is] for each branch school shall be paid annually [to the Department of Higher Education] into the private occupational school student protection account.

[(b)] (c) The commissioner, or the commissioner's designee, not later than thirty days after the proposed date for establishment of a branch school, may issue an order prohibiting any such [change] establishment of a branch school if it would constitute a material or substantial deviation from the conditions of authorization or if the private occupational school fails to meet the requirements set forth in subsection (b) of this section. [In the event of such an order, the school may request in writing of the Board of Governors of Higher Education a hearing pursuant to chapter 54.]

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(d) If the commissioner, or the commissioner's designee, fails to take action upon the request for revision by the thirtieth day after the proposed date for establishment of such additional classroom site or branch school, such request shall be deemed approved.

Sec. 8. Section 10a-22h of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2006*):

(a) No representative of a private occupational school not authorized pursuant to sections 10a-22a to 10a-22k, inclusive, as amended by this act, and sections 12 to 16, inclusive, of this act, and sections 10a-22u to 10a-22w, inclusive, as amended by this act, shall visit the residence of any prospective student, solicit enrollments, sell occupational instruction in any form or manner, make representations or give counsel to prospective students without first obtaining a permit from the [Commissioner of Higher Education] commissioner. Such permit shall not be represented to constitute approval of the school itself. Any contract entered into in violation of this section shall not be enforceable by such school.

(b) Any person seeking to represent [a] an out-of-state private occupational school not authorized pursuant to sections 10a-22a to 10a-22k, inclusive, as amended by this act, and sections 12 to 16, inclusive, of this act, and sections 10a-22u to 10a-22w, inclusive, as amended by this act, shall file an application with the state Department of Higher Education on forms prescribed by the commissioner. Upon issuance of a permit such representative shall pay a nonrefundable fee of [fifty] five hundred dollars into the private occupational student protection account. The permit shall be valid for a period of one year from date of issuance.

Sec. 9. Section 10a-22i of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2006*):

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(a) The [Commissioner of Higher Education] commissioner may assess any person, board, partnership, association, corporation, limited liability company or other entity which violates any provision of sections 10a-22a to 10a-22k, inclusive, as amended by this act, and sections 12 to 16, inclusive, of this act or sections 10a-22u to 10a-22w, inclusive, as amended by this act, an administrative penalty in an amount not to exceed five hundred dollars for each day of such violation.

(b) The commissioner shall serve written notice upon a private occupational school when the assessment of such [a] an administrative penalty is under consideration. The notice shall set forth the reasons for the assessment of the penalty. [Upon receipt of such notice, such a school may, within seven days, file a written request for administrative review by the commissioner or his designee. Within forty-five days after the receipt of such request, the commissioner or his designee shall complete an administrative review and give written notice of the determination of the review to the school. Within fourteen days after receipt of such notice, an aggrieved school may appeal in writing to the Board of Governors of Higher Education, setting forth the reasons why the penalty is not proper. The board shall hold a hearing within twenty business days following receipt of an appeal which hearing shall be conducted pursuant to the provisions of chapter 54.] Not later than forty-five days after mailing such notice to the private occupational school, the commissioner, or the commissioner's designee, shall hold a compliance conference with the private occupational school.

(c) If, after the compliance conference, the commissioner determines that imposition of an administrative penalty is appropriate, the commissioner shall issue an order and serve written notice by certified mail, return receipt requested upon the private occupational school.

(d) A private occupational school aggrieved by the order of the

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commissioner imposing an administrative penalty pursuant to subsection (c) of this section shall, not later than fifteen days after such order is mailed, request in writing a hearing before the Board of Governors. Such hearing shall be held in accordance with the provisions of chapter 54.

Sec. 10. Section 10a-22j of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2006*):

The [Board of Governors of Higher Education] commissioner, through the Attorney General, may seek an order from the superior court to prevent any violation of sections 10a-22a to 10a-22k, inclusive, as amended by this act, and sections 12 to 16, inclusive, of this act, or sections 10a-22u to 10a-22w, inclusive, as amended by this act. [through the use of an injunction in accordance with the provisions of chapter 916.]

Sec. 11. Section 10a-22k of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2006*):

The Board of Governors [of Higher Education] shall adopt regulations in accordance with the provisions of chapter 54 in order to carry out the provisions of sections 10a-22a to 10a-22k, inclusive, as amended by this act, and sections 12 to 16, inclusive, of this act, and sections 10a-22u to 10a-22w, inclusive, as amended by this act.

Sec. 12. (NEW) (*Effective October 1, 2006*) (a) Any private occupational school operating without a certificate of authorization required under section 10a-22b of the general statutes, as amended by this act, or operating an additional classroom site or branch school in violation of section 10a-22g of the general statutes, as amended by this act, shall be fined not more than five hundred dollars for each day of unauthorized operation, to be paid into the private occupational student protection account.

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(b) The commissioner, or the commissioner's designee, may conduct an investigation and, through the Attorney General, maintain an action in the name of the state against any person to restrain or prevent the establishment or operation of an institution that does not have a certificate of authorization.

Sec. 13. (NEW) (*Effective October 1, 2006*) The Board of Governors or the commissioner, through the Attorney General, may petition the superior court for the judicial district of Hartford for the enforcement of any order issued by the Board of Governors or the commissioner, and for other appropriate relief. The court may issue such orders as are appropriate to aid in enforcement.

Sec. 14. (NEW) (*Effective October 1, 2006*) (a) A private occupational school shall notify the commissioner, in writing, at least sixty days prior to closure of such school. The private occupational school shall provide evidence prior to closing that: (1) All course work is or will be completed by current students at the school; (2) there are no refunds due any students; (3) all student records will be maintained as prescribed in section 15 of this act; (4) final payment has been made to the private occupational school student protection account; (5) a designation of service form has been filed with the commissioner; and (6) the certificate of authorization has been returned to the commissioner.

(b) Any private occupational school that fails to meet the requirements outlined in subsection (a) of this section shall be fined not more than five hundred dollars per day for each day of noncompliance and, pursuant to subdivision (6) of subsection (a) of section 10a-22c of the general statutes, as amended by this act, shall be ineligible to be issued a certificate of authorization upon application to operate a private occupational school. Funds collected pursuant to this subsection shall be placed in the private occupational student protection account established pursuant to section 10a-22u of the

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general statutes, as amended by this act.

(c) If the commissioner revokes a private occupational school's certificate of authorization, such school shall comply with the requirements of subsection (a) of this section. Failure to comply shall result in further penalties at the discretion of the commissioner.

Sec. 15. (NEW) (*Effective October 1, 2006*) (a) A private occupational school shall maintain, preserve and protect, in a manner approved by the Commissioner of Higher Education, or the commissioner's designee, all school records including, but not limited to: (1) Student or academic transcripts; (2) attendance records or other indicators of student progress; (3) copies of individual enrollment agreements or contracts; (4) evidence of tuition payments; and (5) any other documentation as prescribed by the commissioner.

(b) The commissioner, or the commissioner's designee, may at any time during regular business or school hours, with or without notice, visit a private occupational school. During such visitation, the commissioner, or the commissioner's designee, may request an officer or director of the school to produce, and shall be provided with immediate access to, such records or information as are required to verify that the school continues to meet the conditions of authorization.

(c) If a school ceases to operate as a private occupational school, it shall keep the commissioner advised in writing as to the location and availability of student records or shall file all such records with the commissioner.

Sec. 16. (NEW) (*Effective October 1, 2006*) The commissioner, or the commissioner's designee, may conduct any necessary review, inspection or investigation regarding applications for certificates of authorization or possible violations of sections 10a-22a to 10a-22k,

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inclusive, of the general statutes, as amended by this act, and sections 12 to 16, inclusive, of this act or of any applicable regulations of Connecticut state agencies. In connection with any investigation, the commissioner or the commissioner's designee, may administer oaths, issue subpoenas, compel testimony and order the production of any record or document. If any person refuses to appear, testify or produce any record or document when so ordered, the commissioner may seek relief pursuant to section 13 of this act.

Sec. 17. Subsection (a) of section 10a-22u of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2006*):

(a) There shall be an account to be known as the private occupational school student protection account within the General Fund. Each private occupational school authorized in accordance with the provisions of sections 10a-22a to 10a-22k, inclusive, as amended by this act, and sections 12 to 16, inclusive, of this act shall pay to the State Treasurer an amount equal to one-half of one per cent of the tuition received by such school per calendar quarter exclusive of any refunds paid, except that correspondence and home study schools authorized in accordance with the provisions of sections 10a-22a to 10a-22k, inclusive, as amended by this act, and sections 12 to 16, inclusive, of this act shall contribute to said account only for Connecticut residents enrolled in such schools. Payments shall be made by January thirtieth, April thirtieth, July thirtieth and October thirtieth in each year for tuition received during the three months next preceding the month of payment. Said account shall be used for the purposes of section 10a-22v, as amended by this act. Any interest, income and dividends derived from the investment of the account shall be credited to the account. All direct expenses for the maintenance of the account may be charged to the account upon the order of the State Comptroller. The Commissioner of Higher Education may assess the account (1) for all

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direct expenses incurred in the implementation of the purposes of this section which are in excess of the normal expenditures of the Department of Higher Education for accounting, auditing and clerical services, and (2) for the fiscal years ending June 30, 2000, and June 30, 2001, in an amount not to exceed one hundred seventy thousand dollars in each of such fiscal years for personnel and administrative expenses for the purposes of sections 10a-22a to 10a-22k, inclusive, as amended by this act, and sections 12 to 16, inclusive, of this act, provided such amount does not exceed the annual interest accrual, which shall be transferred to the appropriation of the Department of Higher Education for personal services and other expenses for positions and responsibilities relating to said sections, provided the department has expended all federal funds that may be available for personnel and administrative expenses for the purposes of said sections. After disbursements are made pursuant to subdivisions (1) and (2) of this subsection, if the resources of the private occupational school student protection account exceed two million five hundred thousand dollars, no additional school assessments shall be made.

Sec. 18. Section 10a-22v of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2006*):

Any student enrolled in a private occupational school authorized in accordance with the provisions of sections 10a-22a to 10a-22k, inclusive, as amended by this act, and sections 12 to 16, inclusive, of this act who is unable to complete a course or unit of instruction at such school because of the insolvency or cessation of operation of the school and who has paid tuition for such course or unit of instruction, may make application to the Commissioner of Higher Education for a refund of tuition from the account established pursuant to section 10-22u, as amended by this act, to the extent that such account exists or has reached the level necessary to pay outstanding approved claims, except that in the case of correspondence and home study schools

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authorized in accordance with the provisions of sections 10a-22a to 10a-22k, inclusive, as amended by this act, and sections 12 to 16, inclusive, of this act only Connecticut residents enrolled in such schools may be eligible for such refund. Upon such application, the commissioner shall determine whether the applicant is unable to complete a course or unit of instruction because of the insolvency or cessation of operation of the school to which tuition has been paid. The commissioner may summon by subpoena any person, records or documents pertinent to the making of a determination regarding insolvency or cessation of operation. For the purpose of making any tuition refund pursuant to this section, a school shall be deemed to have ceased operation whenever it has failed to complete a course or unit of instruction for which the student has paid a tuition fee and, as a result, the school's authorization has been revoked pursuant to section 10a-22f, as amended by this act. If the commissioner finds that the applicant is entitled to a refund of tuition because of the insolvency or cessation of operation of the school, the commissioner shall determine the amount of an appropriate refund which shall be equal to or a portion of the tuition paid for the uncompleted course or unit of instruction. Thereafter the Commissioner of Higher Education shall direct the State Treasurer to pay, per order of the Comptroller, the refund to the applicant or persons, agencies or organizations indicated by the applicant who have paid tuition on the student's behalf. If the student is a minor, payment shall be made to the student's parent, parents or legal guardian. Each recipient of a tuition refund made in accordance with the provisions of this section shall assign all rights to the state of any action against the school or its owner or owners for tuition amounts reimbursed pursuant to this section. Upon such assignment, the state may take appropriate action against the school or its owner or owners in order to reimburse the student protection account for any expenses or claims that are paid from the account and to reimburse the state for the reasonable and necessary expenses in undertaking such action.

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Sec. 19. Subdivision (4) of section 10-67 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2006*):

(4) "Cooperating eligible entity" means any corporation or other business entity, nonprofit organization, private occupational school authorized pursuant to sections 10a-22a to 10a-22k, inclusive, as amended by this act, and sections 12 to 16, inclusive, of this act, institution of higher education licensed or accredited pursuant to the provisions of section 10a-34, regional vocational-technical school or library which provides classes or services specified under subdivision (1) of subsection (a) of section 10-69, in conformance with the program standards applicable to boards of education, through a written cooperative arrangement with a local or regional board of education or regional educational service center.

Sec. 20. Subdivision (109) of section 12-412 of the 2006 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2006*):

(109) Sales of college textbooks to full and part-time students enrolled at institutions of higher education or private occupational schools authorized pursuant to sections 10a-22a to 10a-22k, inclusive, as amended by this act, and sections 12 to 16, inclusive, of this act, provided the student presents a valid student identification card. For purposes of this subdivision, "college textbooks" means new or used books and related workbooks required or recommended for a course at an institution of higher education or a private occupational school authorized pursuant to sections 10a-22a to 10a-22k, inclusive, as amended by this act, and sections 12 to 16, inclusive, of this act.

Approved June 6, 2006