



# Senate

General Assembly

**File No. 266**

February Session, 2006

Substitute Senate Bill No. 335

*Senate, March 31, 2006*

The Committee on Higher Education and Employment Advancement reported through SEN. HARTLEY of the 15th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

## ***AN ACT CONCERNING PRIVATE OCCUPATIONAL SCHOOLS.***

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

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 Section 10a-22a of the general statutes is repealed and the  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

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

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

14 school authorized by the General Assembly to confer degrees;

15 (2) "Board of Governors" means the Board of Governors for Higher  
16 Education;

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

26 (4) "Commissioner" means the Commissioner of Higher Education.

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 Section 10a-22b of the general statutes is repealed and the  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

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

37 (b) Except for initial authorizations, the [Commissioner of Higher  
38 Education] commissioner shall accept institutional accreditation by an  
39 accrediting agency recognized by the United States Department of  
40 Education, in satisfaction of the requirements of this section and  
41 section 10a-22d, as amended by this act, including the evaluation and  
42 attendance requirement, unless the commissioner finds reasonable  
43 cause not to rely upon such accreditation.

44 [(b)] (c) Each person, board, association, partnership, corporation,

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

66 [(c)] (d) Upon receipt of a complete application pursuant to  
67 subsection [(b)] (c) of this section, the [Commissioner of Higher  
68 Education] commissioner shall cause to be conducted an evaluation of  
69 the applicant school. Thereafter, the commissioner shall advise the  
70 applicant of authorization or nonauthorization [within] not later than  
71 ninety days following the completed appointment of an evaluation  
72 team pursuant to subsection [(d)] (e) of this section. The commissioner  
73 may consult with the Labor Department and may request the advice of  
74 any other state agency which may be of assistance in making a  
75 determination. In the event of nonauthorization by the [Commissioner  
76 of Higher Education] commissioner, he shall set forth the reasons  
77 therefor in writing and the applicant school may request in writing of  
78 the Board of Governors [of Higher Education] a hearing pursuant to  
79 chapter 54.

80        [(d)] (e) For purposes of an evaluation of an applicant school, the  
81 [Commissioner of Higher Education, or a designee of the  
82 commissioner] commissioner, or the commissioner's designee, shall  
83 appoint an evaluation team which shall include (1) at least two  
84 members representing the Board of Governors, [of Higher Education]  
85 and (2) at least one member for each of the areas of occupational  
86 instruction for which authorization is sought who shall be experienced  
87 in such occupation. [The applicant school shall have the right to  
88 challenge any proposed member of the evaluation team for good cause  
89 shown. A written challenge shall be filed with the commissioner  
90 within ten business days following the appointment of such evaluation  
91 team. In the event of a challenge, a decision shall be made thereon by  
92 the Commissioner of Higher Education within ten business days from  
93 the date such challenge is filed, and if the challenge is upheld the  
94 Commissioner of Higher Education shall appoint a replacement.]  
95 Employees of the state or any political subdivision of the state may be  
96 members of evaluation teams. The commissioner, or the [designee of  
97 the commissioner] commissioner's designee, shall not appoint any  
98 person to an evaluation team unless the commissioner, or such  
99 designee, has received from such person a statement that the person  
100 has no interest which is in conflict with the proper discharge of the  
101 duties of evaluation team members as described in this section. The  
102 statement shall be on a form prescribed by the commissioner and shall  
103 be signed under penalty of false statement. Members of the evaluation  
104 team shall serve without compensation. Except for any member of the  
105 evaluation team who is a state employee, members shall be reimbursed  
106 for actual expenses, which expenses shall be charged to and paid by  
107 the applicant school.

108        [(e)] (f) The evaluation team appointed pursuant to subsection [(d)]  
109 (e) of this section shall: [conduct an] (1) Conduct an on-site inspection;  
110 [and shall submit a written report recommending authorization or  
111 nonauthorization by the Commissioner of Higher Education] (2)  
112 submit a written report outlining any evidence of noncompliance; (3)  
113 give the school sixty days from the date of the report to provide  
114 evidence of compliance; and (4) submit to the commissioner a written

115 report recommending authorization or nonauthorization not later than  
116 one hundred twenty days after the on-site inspection. The evaluation  
117 team shall determine whether [(1)] (A) the quality and content of each  
118 course or program of instruction, including, but not limited to,  
119 residential, on-line, home study and correspondence, training or study  
120 shall reasonably and adequately achieve the stated objective for which  
121 such course or program is offered; [(2)] (B) the school has adequate  
122 space, equipment, instructional materials and personnel for the  
123 instruction offered; [(3)] (C) the qualifications of directors,  
124 administrators, supervisors and instructors shall reasonably and  
125 adequately assure that students receive education consistent with the  
126 stated objectives for which a course or program is offered; [(4)] (D)  
127 students and other interested persons shall be provided with a catalog  
128 or similar publication describing the courses and programs offered,  
129 course and program objectives, length of courses and programs,  
130 schedule of tuition, fees and all other charges and expenses necessary  
131 for completion of the course or program, [cancellation] termination,  
132 withdrawal and refund policies; [(5)] (E) upon satisfactory completion  
133 of the course or program, each student shall be provided appropriate  
134 educational credentials by the school; [(6)] (F) adequate records shall  
135 be maintained by the school to show attendance and grades, or other  
136 indicators of student progress, and standards shall be enforced relating  
137 to attendance and student performance; [(7)] (G) the applicant school  
138 shall be financially sound and capable of fulfilling its commitments to  
139 students; and [(8)] (H) any student housing owned, leased, rented or  
140 otherwise maintained by the applicant school shall be safe and  
141 adequate. The evaluation team may also indicate in its report such  
142 recommendations as may improve the operation of the applicant  
143 school.

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

147 (a) No certificate to operate a private occupational school shall be  
148 authorized by the [Commissioner of Higher Education] commissioner,

149 or the commissioner's designee, if (1) any principal, officer, member or  
150 director of the applicant school has acted in a similar capacity for a  
151 private occupational school which has had its authorization revoked  
152 pursuant to section 10a-22f, as amended by this act; (2) the applicant  
153 school does not have a net worth consisting of sufficient liquid assets  
154 or other evidence of fiscal soundness to operate for the period of time  
155 for which authorization is sought; (3) the applicant school or any of its  
156 agents engages in advertising, sales, collection, credit or other practices  
157 which are false, deceptive, misleading or unfair; [or] (4) the applicant  
158 school has any policy which discourages or prohibits the filing of  
159 inquiries or complaints regarding the school's operation with the  
160 [Commissioner of Higher Education] commissioner; (5) the applicant  
161 school fails to satisfactorily meet the criteria set forth in subsection (f)  
162 of section 10a-22b, as amended by this act; or (6) a private occupational  
163 school fails to follow the procedures for school closure under section  
164 14 of this act.

165 (b) The commissioner may deny a certificate of authorization if the  
166 person who owns or intends to operate a private occupational school  
167 has been convicted in this state, or any other state, of larceny in  
168 violation of section 53a-122 or 53a-123; identity theft in violation of  
169 section 53a-129b or 53a-129c; forgery in violation of section 53a-138 or  
170 53a-139; or has a criminal record in this state, or any other state, that  
171 the commissioner reasonably believes renders the person unsuitable to  
172 own and operate a private occupational school. A refusal of a  
173 certificate of authorization under this subsection shall be made in  
174 accordance with the provisions of sections 46a-79 to 46a-81, inclusive.

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

183 [(c)] (d) No certificate to operate a new private occupational school  
184 shall be issued by the commissioner pursuant to section 10a-22d, as  
185 amended by this act, until such private occupational school seeking  
186 authorization files with the commissioner an irrevocable letter of credit  
187 in the penal amount of twenty thousand dollars guaranteeing the  
188 payments required of the school to the private occupational school  
189 student protection account in accordance with the provisions of section  
190 10a-22u, as amended by this act. The letter of credit shall be payable to  
191 the private occupational school student protection account in the event  
192 that such school fails to make payments to the account as provided in  
193 subsection (a) of section 10a-22u, as amended by this act, or in the  
194 event the state takes action to reimburse the account for a tuition  
195 refund paid to a student pursuant to the provisions of section 10a-22v,  
196 as amended by this act, provided the amount of the letter of credit to  
197 be paid into the private occupational school student protection account  
198 shall not exceed the amounts owed to the account. The letter of credit  
199 required by this subsection shall be [excused once a school has paid in  
200 excess of twenty thousand dollars into the private occupational school  
201 student protection account or] released eight years [from] after the  
202 date of initial approval, [whichever occurs first] provided evidence of  
203 fiscal soundness has been verified.

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

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

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

214 (b) Following [three years] the fourth year of continuous  
215 authorization, a renewal of the certificate of authorization, if granted,

216 shall be for a period not to exceed five years and may be subject to an  
217 evaluation pursuant to subsections [(d)] (e) and [(e)] (f) of section 10a-  
218 22b, as amended by this act, provided no private occupational school  
219 shall operate for more than five additional years from the date of any  
220 renewal without the completion of an evaluation pursuant to  
221 subsections [(d)] (e) and [(e)] (f) of section 10a-22b, as amended by this  
222 act.

223 (c) Renewal of the certificate of authorization shall be [made and  
224 continued] granted only upon (1) the annual fee payment to the Board  
225 of Governors [of Higher Education] of a nonrefundable fee of [one]  
226 two hundred dollars, and [any] an additional fee [required for an  
227 extension or] of two hundred dollars for each branch school under  
228 section 10a-22g, as amended by this act, (2) [review] submission of any  
229 [federal] reports or audits concerning the fiscal condition of the school  
230 or its continuing eligibility to participate in federal student financial  
231 aid programs, [and] (3) the filing with the commissioner of a complete  
232 application for a renewed certificate of authorization not less than one  
233 hundred twenty days prior to the termination date of the most recent  
234 certificate of authorization, [. Such authorization shall not be renewed  
235 if the school fails to meet all the conditions of its most recent  
236 authorization, except that if a school fails to meet such conditions, the  
237 commissioner may for good cause shown, issue a probationary  
238 authorization extending its most recent authorization for a period of  
239 time not to exceed one year] and (4) a determination that the  
240 occupational school meets all the conditions of its recent authorization.

241 (d) If the commissioner, or the commissioner's designee, determines,  
242 at any time during a school's authorization period, that such school is  
243 out of compliance with the conditions of authorization under sections  
244 10a-22a to 10a-22k, inclusive, as amended by this act, and sections 12 to  
245 16, inclusive, of this act and any applicable regulations of Connecticut  
246 state agencies, the school may be placed on probation for a period not  
247 to exceed one year. If, after the period of one year of probationary  
248 status, the school remains out of compliance with the conditions of  
249 authorization, the commissioner may revoke such school's certificate of

250 authorization to operate as a private occupational school pursuant to  
251 section 10a-22f, as amended by this act. During the school's period of  
252 probation, the school shall post its probationary certificate of  
253 authorization in public view. The Department of Higher Education  
254 may publish the school's probationary certificate of authorization  
255 status.

256 [(b)] (e) Notwithstanding the provisions of sections 10a-22a to 10a-  
257 22k, inclusive, as amended by this act, and sections 12 to 16, inclusive,  
258 of this act, the commissioner may authorize the extension of the most  
259 recent certificate of authorization for a period not to exceed sixty days  
260 for good cause shown, provided such extension shall not change the  
261 date of the original certificate's issuance or the date for each renewal.

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

264 (a) During any period of authorization by the [Commissioner of  
265 Higher Education] commissioner to operate as a private occupational  
266 school pursuant to sections 10a-22a to 10a-22k, inclusive, as amended  
267 by this act, and sections 12 to 16, inclusive, of this act, and sections 10a-  
268 22u to 10a-22w, inclusive, as amended by this act, such private  
269 occupational school may [revise] request revision of the conditions of  
270 its authorization. [, provided such] Such school shall [give notice to the  
271 Commissioner of Higher Education thirty] make such request to the  
272 commissioner, in the manner and on such forms prescribed by the  
273 commissioner sixty days prior to the proposed implementation date of  
274 any intended revision. Such revision shall include, but not be limited  
275 to, changes in (1) courses or programs; (2) ownership of the school; (3)  
276 name of the school; [and] (4) location of the [school] school's main  
277 campus; or (5) location of any of the school's branch campuses.

278 (b) The commissioner, or the commissioner's designee, may, not  
279 later than sixty days after receipt of a request to revise the conditions  
280 of authorization, issue an order prohibiting any such change if it  
281 would constitute a material or substantial deviation from the  
282 conditions of authorization. [In the event of such an order, the school

283 may appeal such action to the Board of Governors of Higher Education  
284 pursuant to chapter 54.]

285 (c) If the commissioner, or the commissioner's designee, fails to take  
286 action upon a request for revision by the sixtieth day following receipt  
287 of the request, such request shall be deemed approved, and the private  
288 occupational school's certificate of authorization shall be so revised for  
289 the same period as its current authorization.

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

292 (a) A certificate of authorization issued to a private occupational  
293 school pursuant to sections 10a-22a to 10a-22k, inclusive, as amended  
294 by this act, and sections 12 to 16, inclusive, of this act, and sections 10a-  
295 22u to 10a-22w, inclusive, as amended by this act, may be revoked by  
296 the [Commissioner of Higher Education] commissioner if such school  
297 (1) ceases to meet the conditions of its authorization; (2) commits a  
298 material or substantial violation of sections 10a-22a to 10a-22k,  
299 inclusive, as amended by this act, and sections 12 to 16, inclusive, of  
300 this act, or sections 10a-22u to 10a-22w, inclusive, as amended by this  
301 act, or the regulations prescribed thereunder; (3) makes a false  
302 statement about a material fact in application for authorization or  
303 renewal; or (4) fails to make a required payment to the private  
304 occupational school student protection account pursuant to section  
305 10a-22u, as amended by this act.

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

316 the review within twenty-one days after beginning the review. Within  
317 twenty-one days after the completion of the administrative review, the  
318 commissioner or his designee shall give written notice of the  
319 conclusions of the review to the school. Within fourteen days after  
320 receipt of such notice, a school aggrieved by a decision rendered  
321 pursuant to an administrative review may request in writing of the  
322 Board of Governors of Higher Education a hearing pursuant to chapter  
323 54.] Not later than forty-five days after mailing such written notice, the  
324 commissioner, or the commissioner's designee, shall hold a compliance  
325 conference with the private occupational school.

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

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

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

340 (a) A private occupational school which is authorized by the  
341 [Commissioner of Higher Education] commissioner pursuant to  
342 sections 10a-22a to 10a-22k, inclusive, as amended by this act, and  
343 sections 12 to 16, inclusive, of this act, and sections 10a-22u to 10a-22w,  
344 inclusive, as amended by this act, may request authorization to  
345 establish and operate [extension or] branch schools for the purpose of  
346 offering the occupational instruction authorized by the commissioner,  
347 provided the branch school complies with the provisions of subsection  
348 (b) of this section. Such school shall make such request for

349 authorization to operate a branch school, in the manner and on such  
350 forms as prescribed by the commissioner, at least ninety days prior to  
351 the proposed establishment of such branch school.

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

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

376 (d) If the commissioner, or the commissioner's designee, fails to take  
377 action upon the request for revision by the sixtieth day after receipt of  
378 such request, such request shall be deemed approved.

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

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

392 (b) Any person seeking to represent [a] an out-of-state private  
393 occupational school not authorized pursuant to sections 10a-22a to  
394 10a-22k, inclusive, as amended by this act, and sections 12 to 16,  
395 inclusive, of this act, and sections 10a-22u to 10a-22w, inclusive, as  
396 amended by this act, shall file an application with the state  
397 Department of Higher Education on forms prescribed by the  
398 commissioner. Upon issuance of a permit such representative shall pay  
399 a nonrefundable fee of [fifty] five hundred dollars into the private  
400 occupational student protection account. The permit shall be valid for  
401 a period of one year from date of issuance.

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

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

412 (b) The commissioner shall serve written notice upon a private  
413 occupational school when the assessment of such [a] an administrative

414 penalty is under consideration. The notice shall set forth the reasons  
415 for the assessment of the penalty. [Upon receipt of such notice, such a  
416 school may, within seven days, file a written request for administrative  
417 review by the commissioner or his designee. Within forty-five days  
418 after the receipt of such request, the commissioner or his designee shall  
419 complete an administrative review and give written notice of the  
420 determination of the review to the school. Within fourteen days after  
421 receipt of such notice, an aggrieved school may appeal in writing to  
422 the Board of Governors of Higher Education, setting forth the reasons  
423 why the penalty is not proper. The board shall hold a hearing within  
424 twenty business days following receipt of an appeal which hearing  
425 shall be conducted pursuant to the provisions of chapter 54.] Not later  
426 than forty-five days after mailing such notice to the private  
427 occupational school, the commissioner, or the commissioner's  
428 designee, shall hold a compliance conference with the private  
429 occupational school.

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

434 (d) A private occupational school aggrieved by the order of the  
435 commissioner imposing an administrative penalty pursuant to  
436 subsection (c) of this section shall, not later than fifteen days after such  
437 order is mailed, request in writing a hearing before the Board of  
438 Governors. Such hearing shall be held in accordance with the  
439 provisions of chapter 54.

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

442 The [Board of Governors of Higher Education] commissioner,  
443 through the Attorney General, may seek an order from the superior  
444 court to prevent any violation of sections 10a-22a to 10a-22k, inclusive,  
445 as amended by this act, and sections 12 to 16, inclusive, of this act, or  
446 sections 10a-22u to 10a-22w, inclusive, as amended by this act.

447 [through the use of an injunction in accordance with the provisions of  
448 chapter 916.]

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

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

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

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

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

474 Sec. 14. (NEW) (*Effective October 1, 2006*) (a) A private occupational  
475 school shall notify the commissioner, in writing, at least sixty days  
476 prior to closure of such school. The private occupational school shall  
477 provide evidence prior to closing that: (1) All course work is or will be

478 completed by current students at the school; (2) there are no refunds  
479 due any students; (3) all student records will be maintained as  
480 prescribed in section 15 of this act; (4) final payment has been made to  
481 the private occupational school student protection account; (5) a  
482 designation of service form has been filed with the commissioner; and  
483 (6) the certificate of authorization has been returned to the  
484 commissioner.

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

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

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

506 (b) The commissioner, or the commissioner's designee, may at any  
507 time during regular business or school hours, with or without notice,  
508 visit a private occupational school. During such visitation, the  
509 commissioner, or the commissioner's designee, may request an officer  
510 or director of the school to produce, and shall be provided with

511 immediate access to, such records or information as are required to  
512 verify that the school continues to meet the conditions of  
513 authorization.

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

518 Sec. 16. (NEW) (*Effective October 1, 2006*) The commissioner, or the  
519 commissioner's designee, may conduct any necessary review,  
520 inspection or investigation regarding applications for certificates of  
521 authorization or possible violations of sections 10a-22a to 10a-22k,  
522 inclusive, of the general statutes, as amended by this act, and sections  
523 12 to 16, inclusive, of this act or of any applicable regulations of  
524 Connecticut state agencies. In connection with any investigation, the  
525 commissioner or the commissioner's designee, may administer oaths,  
526 issue subpoenas, compel testimony and order the production of any  
527 record or document. If any person refuses to appear, testify or produce  
528 any record or document when so ordered, the commissioner may seek  
529 relief pursuant to section 13 of this act.

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

533 (a) There shall be an account to be known as the private  
534 occupational school student protection account within the General  
535 Fund. Each private occupational school authorized in accordance with  
536 the provisions of sections 10a-22a to 10a-22k, inclusive, as amended by  
537 this act, and sections 12 to 16, inclusive, of this act shall pay to the State  
538 Treasurer an amount equal to one-half of one per cent of the tuition  
539 received by such school per calendar quarter exclusive of any refunds  
540 paid, except that correspondence and home study schools authorized  
541 in accordance with the provisions of sections 10a-22a to 10a-22k,  
542 inclusive, as amended by this act, and sections 12 to 16, inclusive, of  
543 this act shall contribute to said account only for Connecticut residents

544 enrolled in such schools. Payments shall be made by January thirtieth,  
545 April thirtieth, July thirtieth and October thirtieth in each year for  
546 tuition received during the three months next preceding the month of  
547 payment. Said account shall be used for the purposes of section  
548 10a-22v, as amended by this act. Any interest, income and dividends  
549 derived from the investment of the account shall be credited to the  
550 account. All direct expenses for the maintenance of the account may be  
551 charged to the account upon the order of the State Comptroller. The  
552 Commissioner of Higher Education may assess the account (1) for all  
553 direct expenses incurred in the implementation of the purposes of this  
554 section which are in excess of the normal expenditures of the  
555 Department of Higher Education for accounting, auditing and clerical  
556 services, and (2) for the fiscal years ending June 30, 2000, and June 30,  
557 2001, in an amount not to exceed one hundred seventy thousand  
558 dollars in each of such fiscal years for personnel and administrative  
559 expenses for the purposes of sections 10a-22a to 10a-22k, inclusive, as  
560 amended by this act, and sections 12 to 16, inclusive, of this act,  
561 provided such amount does not exceed the annual interest accrual,  
562 which shall be transferred to the appropriation of the Department of  
563 Higher Education for personal services and other expenses for  
564 positions and responsibilities relating to said sections, provided the  
565 department has expended all federal funds that may be available for  
566 personnel and administrative expenses for the purposes of said  
567 sections. After disbursements are made pursuant to subdivisions (1)  
568 and (2) of this subsection, if the resources of the private occupational  
569 school student protection account exceed two million five hundred  
570 thousand dollars, no additional school assessments shall be made.

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

573 Any student enrolled in a private occupational school authorized in  
574 accordance with the provisions of sections 10a-22a to 10a-22k,  
575 inclusive, as amended by this act, and sections 12 to 16, inclusive, of  
576 this act who is unable to complete a course or unit of instruction at  
577 such school because of the insolvency or cessation of operation of the

578 school and who has paid tuition for such course or unit of instruction,  
579 may make application to the Commissioner of Higher Education for a  
580 refund of tuition from the account established pursuant to section 10-  
581 22u, as amended by this act, to the extent that such account exists or  
582 has reached the level necessary to pay outstanding approved claims,  
583 except that in the case of correspondence and home study schools  
584 authorized in accordance with the provisions of sections 10a-22a to  
585 10a-22k, inclusive, as amended by this act, and sections 12 to 16,  
586 inclusive, of this act only Connecticut residents enrolled in such  
587 schools may be eligible for such refund. Upon such application, the  
588 commissioner shall determine whether the applicant is unable to  
589 complete a course or unit of instruction because of the insolvency or  
590 cessation of operation of the school to which tuition has been paid. The  
591 commissioner may summon by subpoena any person, records or  
592 documents pertinent to the making of a determination regarding  
593 insolvency or cessation of operation. For the purpose of making any  
594 tuition refund pursuant to this section, a school shall be deemed to  
595 have ceased operation whenever it has failed to complete a course or  
596 unit of instruction for which the student has paid a tuition fee and, as a  
597 result, the school's authorization has been revoked pursuant to section  
598 10a-22f, as amended by this act. If the commissioner finds that the  
599 applicant is entitled to a refund of tuition because of the insolvency or  
600 cessation of operation of the school, the commissioner shall determine  
601 the amount of an appropriate refund which shall be equal to or a  
602 portion of the tuition paid for the uncompleted course or unit of  
603 instruction. Thereafter the Commissioner of Higher Education shall  
604 direct the State Treasurer to pay, per order of the Comptroller, the  
605 refund to the applicant or persons, agencies or organizations indicated  
606 by the applicant who have paid tuition on the student's behalf. If the  
607 student is a minor, payment shall be made to the student's parent,  
608 parents or legal guardian. Each recipient of a tuition refund made in  
609 accordance with the provisions of this section shall assign all rights to  
610 the state of any action against the school or its owner or owners for  
611 tuition amounts reimbursed pursuant to this section. Upon such  
612 assignment, the state may take appropriate action against the school or

613 its owner or owners in order to reimburse the student protection  
614 account for any expenses or claims that are paid from the account and  
615 to reimburse the state for the reasonable and necessary expenses in  
616 undertaking such action.

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

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

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

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

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2006</i>	10a-22a
Sec. 2	<i>October 1, 2006</i>	10a-22b
Sec. 3	<i>October 1, 2006</i>	10a-22c
Sec. 4	<i>October 1, 2006</i>	10a-22d
Sec. 5	<i>October 1, 2006</i>	10a-22e
Sec. 6	<i>October 1, 2006</i>	10a-22f
Sec. 7	<i>October 1, 2006</i>	10a-22g
Sec. 8	<i>October 1, 2006</i>	10a-22h
Sec. 9	<i>October 1, 2006</i>	10a-22i
Sec. 10	<i>October 1, 2006</i>	10a-22j
Sec. 11	<i>October 1, 2006</i>	10a-22k
Sec. 12	<i>October 1, 2006</i>	New section
Sec. 13	<i>October 1, 2006</i>	New section
Sec. 14	<i>October 1, 2006</i>	New section
Sec. 15	<i>October 1, 2006</i>	New section
Sec. 16	<i>October 1, 2006</i>	New section
Sec. 17	<i>October 1, 2006</i>	10a-22u(a)
Sec. 18	<i>October 1, 2006</i>	10a-22v
Sec. 19	<i>October 1, 2006</i>	10-67(4)
Sec. 20	<i>October 1, 2006</i>	12-412(109)

**HED**      *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

**OFA Fiscal Note**

**State Impact:**

Agency Affected	Fund-Effect	FY 07 \$	FY 08 \$
Higher Ed., Dept.	Private Occupational School Student Protection Acc - Revenue Gain	Minimal	Minimal

**Municipal Impact:** None

**Explanation**

The bill increases various fees imposed on private occupational schools. The increase in fees is anticipated to generate an additional \$24,000 in revenue for the Private Occupational School Student Protection Account (\$3,300 for renewal applications, \$7,500 for new school applications, \$300 for branch applications and \$13,050 for out-of-state applications).

The bill also imposes a \$500 per day fine on private occupational schools who are operating without a certificate of authorization, or who fail to follow outlined closing procedures. It is anticipated that any additional revenue generated from the fines will be minimal.

In addition, the bill makes various other changes which are not anticipated to have a fiscal impact.

**The Out Years**

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

**OLR Bill Analysis****sSB 335*****AN ACT CONCERNING PRIVATE OCCUPATIONAL SCHOOLS.*****SUMMARY:**

This bill revises how an individual or business can apply for authorization to operate a private occupational school, revise its authorization, and establish branches. It also revises the procedures and the conditions under which the higher education commissioner evaluates, issues, or denies applications for schools and branches; revises or revokes their authorizations; and places them on probation.

It raises application and other fees related to occupational school operations and directs their payment to the Private Occupational School Student Protection Account rather than the General Fund.

The bill establishes procedures schools must follow if they close. It imposes record retention requirements on them. And it increases the commissioner's ability to investigate schools, impose penalties, and enforce them.

EFFECTIVE DATE: October 1, 2006

**§ 1 - DEFINITIONS**

The bill expands the definition of private occupational schools explicitly to include instruction in professional occupations. They can already provide instruction in trade, industrial, commercial, service, and other occupations.

The bill defines an occupational school branch as a subdivision located at a different geographic site and facility that (1) offers one or more complete programs leading to a diploma or certificate, (2) operates under the school's certificate of operation, (3) meets the same

conditions of authorization as the parent school, (4) is responsible for its own academic affairs, and (5) exercises administrative control. An additional classroom site, as determined by the higher education commissioner, does not constitute a branch see § 7 for the treatment of branches and Background.

## **§ 2 - APPLICATION AND EVALUATION PROCESS**

### ***Applications***

The bill raises the application fee for a new private occupational school to \$2,000 from \$500. It requires the fee be deposited in the General Fund's Private Occupational School Student Protection Account.

The bill adds several elements to the information schools must provide in their application. It requires them to submit the names and addresses of the members of the entity operating the school. They must already list the principals, officers, and directors. (Individuals, boards, associations, partnerships, corporations, and limited liability companies can operate these schools.) The bill requires that the certified public accountant or public accountant who reviews or audits the financial statements the school must submit be independent. And it requires the application to list an agent for service of process.

### ***Evaluations***

By law, once she receives a completed application the higher education commissioner must appoint a team to evaluate the school. The team is composed of two people representing the Board of Governors of Higher Education and one expert for each occupational area that the school seeks to offer. The members must sign a statement that they have no conflict of interest in serving. The bill eliminates the applicant school's ability to challenge any of these appointees. It also allows the commissioner's designee to make the appointments.

The bill revises the team's evaluation and reporting process. It specifies that its inspection must be on site. It creates an interim reporting step in which the team identifies evidence of noncompliance

(presumably with the criteria outlined in the law) and gives the school 60 days to provide evidence that it does comply. The bill requires the team to give the commissioner its written report recommending or not recommending authorization within 120 days of its on-site inspection (see COMMENT).

The bill changes two of the evaluative criteria schools must meet. It specifies that evaluators must consider residential, on-line, home study, and correspondence programs in determining whether the quality and content of a school's programs achieve their stated objective. And it requires a school's catalog to describe, among the items, the school's termination and withdrawal policies, rather than its cancellation policy.

### **§ 3 - CERTIFICATE OF AUTHORIZATION AND LETTER OF CREDIT** ***Certificate of Operation***

The bill requires the commissioner to notify the applicant within 60 days of receiving the evaluation team's report of her decision to grant or deny authorization. Notice must be by certified mail, return receipt requested.

The bill adds two conditions that prohibit the commissioner from authorizing a school to operate and gives her the option to deny authorization under other conditions. Under the bill, she cannot issue a certificate of operation if the school fails to (1) satisfactorily meet the eight criteria the evaluation team must consider and (2) follow the bill's procedures for school closure. The bill also prohibits the commissioner's designee from authorizing a school's operation under this and the existing conditions.

The bill allows the commissioner, but not her designee, to deny a school authorization to operate if the person who owns or intends to operate it has been convicted in Connecticut or any other state of 1<sup>st</sup>- or 2<sup>nd</sup>-degree larceny, identity theft, or forgery. It also allows a denial if the person has a criminal record the commissioner believes makes him unsuitable to own and operate a school.

The bill requires any refusal for criminal reasons be made according to the laws governing denial of employment based on prior conviction. These laws, which supersede all other laws governing occupational licensing, make it state policy to encourage favorable consideration of people with criminal records. They require consideration of the nature of the crime, the time since conviction or release, and the person's rehabilitation and require any denial solely because of the conviction be in writing.

### **Letter of Credit**

Before they can begin operating, new schools must file with the Department of Higher Education (DHE) a \$20,000 letter of credit running to the Private Occupation School Student Protection Account. Schools are annually assessed a portion of their revenue to fund this account. Under current law, the letter is excused after eight years or a school pays \$20,000 into the account, whichever occurs first.

The bill removes the \$20,000 payment trigger, thus requiring schools to maintain the letter of credit for eight years. And it requires their fiscal soundness to be verified before the letter is released.

### **§ 4 - REAUTHORIZATION AND PROBATION**

The bill extends the period in which a school must annually seek reauthorization, raises the fee, and revises the procedure for placing a school on probation. Under current law, the certificate must be reauthorized annually for the school's first three years; the bill requires annual reauthorization for four years. It doubles the renewal fee, from \$100 to \$200, and specifies that the increase applies to each of the school's branches.

Current law prohibits the commissioner from reauthorizing a school that fails to meet all conditions of its authorization and permits her to place such a school on probation for up to one year. The bill allows the commissioner or her designee to place a school on probation at any time for failure to comply with its current conditions of authorization; provisions on closure, recordkeeping, and access for DHE officials the

bill establishes; or any applicable state regulations. It requires the school to post publicly its probationary certificate and allows DHE to publish the school's status. The bill allows the commissioner to revoke the school's certificate if it remains out of compliance after the probationary year.

#### **§5 - CERTIFICATE OF AUTHORIZATION REVISIONS**

The bill revises the process through which a school can change the conditions of its authorization. Under current law, a school must notify DHE 30 days before it makes a change. The bill requires it to ask DHE to revise its authorization. It must do so 60 days before it implements the proposed change on forms the commissioner prescribes. The bill adds changes in any branch location to the list of items that require a revised authorization.

The bill requires the commissioner to act within 60 days of receiving an authorization revision request and deems a request approved if she does not act within that time. It also permits the commissioner's designee to act on authorization revisions.

By law, the commissioner can deny a change that constitutes a material or substantial deviation from a school's current conditions of authorization. The bill eliminates a school's ability to appeal her denial to the Board of Governors of Higher Education. As a result, the school would have to appeal to Superior Court.

#### **§ 6 - CERTIFICATE REVOCATION**

The bill revises the process and reduces the timeline for the commissioner to revoke a school's authorization. It adds failure to comply with the bill's provisions governing school closure, record keeping, and access for DHE officials as grounds for revocation.

Under current law, the commissioner must notify a school in writing that she is considering revocation and why. The school can, within seven days of receiving notice, ask for an administrative review. The commissioner must begin the review within 21 days of this request and must complete it within 21 days after it starts. She must

notify the school of her conclusions within the next 21 days. Then the school has 14 days to ask the Board of Governors for a hearing. The revocation process can take up to 84 days before the appeal request.

The bill requires the commissioner to notify a school by certified mail, return receipt requested that she is considering revocation and allows her designee to do this, too. It requires her, or her designee, to hold a compliance review within 45 days of sending the notice. If the commissioner determines revocation is appropriate, she must notify the school of the revocation date by certified mail, return receipt requested. The school has 15 days from the mailing date to ask for a Board of Governors hearing.

## **§ 7 - ESTABLISHING BRANCHES**

The bill revises the process for schools to establish branches and raises the annual fee, from \$100 to \$200, for each branch. The fee goes to the Student Protection Account; under current law, it goes to DHE.

Under current law, a school can establish a branch by notifying DHE 30 days in advance of its intent and the courses it plans to offer and complying with relevant evaluation criteria and zoning and fire codes. The bill requires a school to ask DHE to authorize a new branch on forms the commissioner prescribes. It must do so 90 days before the date it intends to open the branch.

The bill gives the commissioner, or her designee, 90 days after receiving the school's request to deny it, but it deems the request approved if either fails to take action within 60 days (see COMMENT). It eliminates a school's ability to appeal a denial to the Board of Governors.

It adds to the reasons for denying the request (1) the school's, not just the branch's, failure to comply with the law's evaluation criteria for authorizing a school; (2) the branch's failure to meet fire and zoning codes; and (3) the school's failure to give proper notice or pay the fee. Under current law, the only criterion for denial is if establishing a branch constitutes a material or substantial deviation

from the school's conditions of authorization.

### **§ 8 - SCHOOL REPRESENTATIVES**

The law requires anyone who represents a school that is not authorized under Connecticut law to obtain a permit from the commissioner before visiting or making representations to students or soliciting enrollments. The bill limits the permit application process (but not the prohibition on acting without a permit) to representatives of unauthorized out-of-state schools. It raises the annual permit fee, from \$50 to \$500, and requires it be deposited in the Student Protection Account.

### **§ 9 - PENALTIES**

The law permits the commissioner to assess a \$500 per day administrative penalty against any school that violates any provision of the occupational school law. The bill changes the process for assessing this penalty and extends it to the bill's provisions governing school closure, record keeping, and access for DHE officials.

The current penalty process and the changes to it mirror the bill's changes in the authorization revocation process described above. Within 45 days after notifying the school that she is considering a penalty, the bill requires her or her designee to hold a compliance conference. Current law allows the school to ask for hearing within seven days of receiving notice. If, after the conference, the commissioner decides a penalty is warranted, the bill requires her to order it via certified mail, return receipt requested. The bill gives a school 15 days to ask the Board of Governors for a hearing; current law gives it 14 days. Current law requires the board to hold the hearing within 20 business days of this request; the bill has no deadline

### **§ 10 - ENFORCEMENT**

The bill transfers, from the Board of Governors to the commissioner acting through the attorney general, authority to prevent violations of the occupational school law and the bill's provisions. It potentially expands the types of orders the court could issue by eliminating the

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requirement that only an injunction can be sought.

### **§ 11 - REGULATIONS**

The bill expands the scope of the board's regulations governing private occupational schools to include the bill's provisions governing school closure, record keeping, and access for DHE officials.

### **§ 12 - OPERATING WITHOUT A CERTIFICATE**

The bill imposes a \$500 per day fine on a school that operates without a certificate of authorization. The fine goes to the Student Protection Account.

The bill authorizes the commissioner or her designee to investigate such schools and, through the attorney general, seek a court order to restrain or prevent the school's operation.

### **§ 13 - OTHER ENFORCEMENT**

The bill allows the Board of Governors or the commissioner, through the attorney general, to ask the Hartford Superior Court to enforce any order the board or commissioner issues and for other appropriate relief. It permits the court to issue such orders.

### **§ 14 - SCHOOL CLOSURES**

The bill requires a school to give the commissioner 60 days written notice before closing. Before closing or if the commissioner revokes its authorization, a school must provide evidence that current students have or will complete all coursework and it:

1. does not owe refunds to any students,
2. will maintain student records as the bill prescribes (see § 15),
3. has made its final payment to the Student Protection Account,
4. has filed a designation of service form with the commissioner,  
and

5. has returned its certificate of authorization.

A school that fails to comply with these requirements (1) must be fined up to \$500 for each day the failure continues and (2) is ineligible for another authorization certificate. The penalty payment goes to the Student Protection Account. The commissioner can impose additional penalties on a school that fails to comply after its authorization is revoked.

### **§ 15 - STUDENT RECORDS**

The bill requires schools to maintain school records in the way the commissioner or her designee approves. These records include (1) student or academic transcripts and attendance records, (2) copies of individual enrollment agreements or contracts, (3) evidence of tuition payments, and (4) any other documents the commissioner prescribes. A school that ceases operations must (1) advise and update the commissioner in writing where the records are located or (2) file them with her.

The bill authorizes the commissioner or her designee to visit a school during regular business or school hours, with or without notice. They can ask a school officer or director to produce any records or information they need to verify that the school is complying with its conditions of authorization. The school must provide them access to these.

### **§ 16 - DHE INVESTIGATORY POWERS**

The bill authorizes the commissioner or her designee to review, inspect, or investigate, as needed, applications for certificates of authorization or possible violations of occupational school law. It allows them to issue subpoenas, place people under oath, compel testimony, and order records and documents to be produced. The commissioner can ask the attorney general to seek a court order if anyone refuses to appear, testify, or produce documents.

### **§§ 17 to 20 - TECHNICAL**

#### **COMMENT**

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***Notifying Applicants of Evaluation Results***

The bill requires the (1) evaluation team to give the commissioner its written recommendations on authorization within 120 days of its on-site inspection and (2) commissioner to notify the applicant of her decision within 60 days of receiving this report. But existing law, which the bill does not change, requires the commissioner to notify applicants of their authorization within 90 days of appointing the evaluation team (l. 71-72).

***Establishing Branches***

The bill gives the commissioner, or her designee, 90 days after receiving a school's request to open a branch to deny it, but it deems the request approved if either fails to take action within 60 days of receiving the request.

**COMMITTEE ACTION**

Higher Education and Employment Advancement Committee

Joint Favorable Substitute

Yea 20 Nay 0 (03/14/2006)