



General Assembly

Substitute Bill No. 335

February Session, 2006

* SB00335HED 031406 *

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 Section 10a-22a of the general statutes is repealed and the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 Section 10a-22b of the general statutes is repealed and the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 Section 10a-22u of the general statutes is repealed and the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

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

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

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

572 Any student enrolled in a private occupational school authorized in
573 accordance with the provisions of sections 10a-22a to 10a-22k,
574 inclusive, as amended by this act, and sections 12 to 16, inclusive, of

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

610 tuition amounts reimbursed pursuant to this section. Upon such
611 assignment, the state may take appropriate action against the school or
612 its owner or owners in order to reimburse the student protection
613 account for any expenses or claims that are paid from the account and
614 to reimburse the state for the reasonable and necessary expenses in
615 undertaking such action.

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

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

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

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

642 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
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.*