



Senate

General Assembly

File No. 617

January Session, 2007

Substitute Senate Bill No. 1140

Senate, April 30, 2007

The Committee on Judiciary reported through SEN. MCDONALD of the 27th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING REFUND OF TUITION FOR PRIVATE OCCUPATIONAL SCHOOLS.

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

1 Section 1. Section 10a-22v of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2007*):

3 Any student enrolled in a private occupational school authorized in
4 accordance with the provisions of sections 10a-22a to 10a-22o,
5 inclusive, who is unable to complete a course or unit of instruction at
6 such school because of the insolvency or cessation of operation of the
7 school and who has paid tuition for such course or unit of instruction,
8 may make application to the Commissioner of Higher Education for a
9 refund of tuition from the account established pursuant to section 10-
10 22u to the extent that such account exists or has reached the level
11 necessary to pay outstanding approved claims, except that in the case
12 of correspondence and home study schools authorized in accordance
13 with the provisions of sections 10a-22a to 10a-22o, inclusive, only
14 Connecticut residents enrolled in such schools may be eligible for such

15 refund. Upon such application, the commissioner shall determine
16 whether the applicant is unable to complete a course or unit of
17 instruction because of the insolvency or cessation of operation of the
18 school to which tuition has been paid. The commissioner may summon
19 by subpoena any person, records or documents pertinent to the
20 making of a determination regarding insolvency or cessation of
21 operation. For the purpose of making any tuition refund pursuant to
22 this section, a school shall be deemed to have ceased operation
23 whenever it has failed to complete a course or unit of instruction for
24 which the student has paid a tuition fee and, as a result, the school's
25 authorization has been revoked pursuant to section 10a-22f. If the
26 commissioner finds that the applicant is entitled to a refund of tuition
27 because of the insolvency or cessation of operation of the school, the
28 commissioner shall determine the amount of an appropriate refund
29 which shall be equal to or a portion of the tuition paid for the
30 uncompleted course or unit of instruction. Thereafter the
31 Commissioner of Higher Education shall direct the State Treasurer to
32 pay, per order of the Comptroller, the refund to the applicant or
33 persons, agencies or organizations indicated by the applicant who
34 have paid tuition on the student's behalf. If the student is a minor,
35 payment shall be made to the student's parent, parents or legal
36 guardian. Each recipient of a tuition refund made in accordance with
37 the provisions of this section shall assign all rights to the state of any
38 action against the school or its owner or owners for tuition amounts
39 reimbursed pursuant to this section. Upon such assignment, the state
40 may take appropriate action against the school or its owner or owners
41 in order to reimburse the student protection account for any expenses
42 or claims that are paid from the account and to reimburse the state for
43 the reasonable and necessary expenses in undertaking such action.
44 Any student who falsifies information on an application for tuition
45 reimbursement shall lose his or her right to any refund from the
46 account.

This act shall take effect as follows and shall amend the following sections:

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 chamber thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 08 \$	FY 09 \$
Higher Ed., Dept.	Private Occupational School Student Protection Act - Revenue Impact	Potential Minimal	Potential Minimal

Municipal Impact: None

Explanation

The bill prohibits any student from receiving a refund from the Private Occupational School Student Protection Account, if that student has submitted false information on their application for tuition reimbursement. It is anticipated that the bill could result in less revenue being refunded from the Private Occupational School Student Protection Account. In FY 07 (to date) \$58,228 has been paid to students for purposes of tuition reimbursement.

The Out Years

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

OLR Bill Analysis**sSB 1140*****AN ACT CONCERNING REFUND OF TUITION FOR PRIVATE OCCUPATIONAL SCHOOLS.*****SUMMARY:**

This bill authorizes the Department of Higher Education to deny any refund from the Student Protection Account to any student in a private occupational school who falsifies information on a tuition reimbursement application.

EFFECTIVE DATE: October 1, 2007

BACKGROUND***Private Occupational School Student Protection Account***

The Student Protection Account is funded by quarterly assessments on private occupational schools' tuition revenues received from Connecticut students and other fees related to the schools' operations. It is used to make tuition refunds to students who are unable to complete a course at a private occupational school because the school becomes insolvent or ceases operating.

COMMITTEE ACTION

Higher Education and Employment Advancement Committee

Joint Favorable Change of Reference

Yea 18 Nay 0 (03/01/2007)

Judiciary Committee

Joint Favorable Substitute

Yea 40 Nay 0 (04/11/2007)