



General Assembly

January Session, 2009

Raised Bill No. 767

LCO No. 2655

02655_____HED

Referred to Committee on Higher Education and Employment
Advancement

Introduced by:
(HED)

**AN ACT CONCERNING THE EXCLUSION OF TITLE IV FINANCIAL AID
FROM ELIGIBILITY FOR REFUNDS FROM STUDENT PROTECTION
ACCOUNTS.**

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 Section 10a-22v of the general statutes is repealed and the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 July 1, 2009*):

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25 authorization has been revoked pursuant to section 10a-22f.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. In no event shall a refund be made from the student
37 protection account for any financial aid provided to or on behalf of any
38 student in accordance with the provisions of Title IV, Part B of the
39 Higher Education Act of 1965, as amended from time to time. Each
40 recipient of a tuition refund made in accordance with the provisions of
41 this section shall assign all rights to the state of any action against the
42 school or its owner or owners for tuition amounts reimbursed
43 pursuant to this section. Upon such assignment, the state may take
44 appropriate action against the school or its owner or owners in order
45 to reimburse the student protection account for any expenses or claims
46 that are paid from the account and to reimburse the state for the
47 reasonable and necessary expenses in undertaking such action. Any
48 student who falsifies information on an application for tuition

49 reimbursement shall lose his or her right to any refund from the
50 account.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2009</i>	10a-22v

Statement of Purpose:

To prohibit refunds for certain financial aid from the Private Occupational School Student Protection Fund.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]