



# Senate

General Assembly

**File No. 80**

February Session, 2016

Substitute Senate Bill No. 26

*Senate, March 21, 2016*

The Committee on Higher Education and Employment Advancement reported through SEN. BARTOLOMEO of the 13th 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 Section 10a-22a of the general statutes is repealed and the  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 July 1, 2016*):

3 As used in sections 10a-22a to 10a-22y, inclusive:

4 (1) "Private occupational school" means a postsecondary career  
5 school operated by a person, board, association, partnership,  
6 corporation, limited liability company or other entity offering  
7 instruction in any form or manner in any trade, industrial, commercial,  
8 service, professional or other occupation for any remuneration,  
9 consideration, reward or promise of whatever nature, including, but  
10 not limited to, a hospital-based occupational school, or any program,  
11 school or entity offering postsecondary instruction in barbering or  
12 hairdressing, except "private occupational school" shall not include (A)  
13 instruction offered under public supervision and control; (B)

14 instruction conducted by a firm or organization solely for the training  
15 of its own employees or members; or (C) instruction offered by a  
16 school authorized by the General Assembly to confer degrees;

17 (2) "Additional classroom site" means a facility that (A) is  
18 geographically located close to the school or branch that oversees the  
19 site, such that students must utilize services provided at such school or  
20 branch, (B) conducts permanent or temporary educational activities,  
21 and (C) offers courses or full programs of study;

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

31 (4) "Executive director" means the executive director of the Office of  
32 Higher Education; and

33 (5) "Postsecondary career school" means an institution authorized to  
34 operate educational programs beyond secondary education.

35 Sec. 2. Section 10a-22b of the general statutes is repealed and the  
36 following is substituted in lieu thereof (*Effective July 1, 2016*):

37 (a) No person, board, association, partnership, corporation, limited  
38 liability company or other entity shall offer instruction in any form or  
39 manner in any trade or in any industrial, commercial, service,  
40 professional or other occupation unless such person, board,  
41 association, partnership, corporation, limited liability company or  
42 other entity first receives from the executive director a certificate  
43 authorizing the occupational instruction to be offered.

44 (b) Except for initial authorizations, the executive director shall

45 accept institutional accreditation by an accrediting agency recognized  
46 by the United States Department of Education, in satisfaction of the  
47 requirements of this section and section 10a-22d, as amended by this  
48 act, including the evaluation and attendance requirement, unless the  
49 executive director finds reasonable cause not to rely upon such  
50 accreditation. Except for initial authorizations, the executive director  
51 may accept programmatic accreditation in satisfaction of the  
52 requirements of this section and section 10a-22d, as amended by this  
53 act, with regard to instruction offered by a hospital pursuant to  
54 subsection (h) of this section unless the executive director finds  
55 reasonable cause not to rely upon such accreditation.

56 (c) Each person, board, association, partnership, corporation, limited  
57 liability company or other entity which seeks to offer occupational  
58 instruction shall submit to the executive director, or the executive  
59 director's designee, in such manner as the executive director, or the  
60 executive director's designee, prescribes, an application for a certificate  
61 of authorization which includes, but need not be limited to, (1) the  
62 proposed name of the school; (2) ownership and organization of the  
63 school including the names and addresses of all principals, officers,  
64 members and directors; (3) names and addresses of all stockholders of  
65 the school, except for applicants which are listed on a national  
66 securities exchange; (4) addresses of any building or premises on  
67 which the school will be located; (5) description of the occupational  
68 instruction to be offered; (6) the proposed student enrollment  
69 agreement, which includes for each program of occupational  
70 instruction offered a description, in plain language, of any  
71 requirements for employment in such occupation or barriers to such  
72 employment pursuant to state law or regulations; (7) the proposed  
73 school catalog, which includes for each program of occupational  
74 instruction offered a description of any requirements for employment  
75 in such occupation or barriers to such employment pursuant to state  
76 law or regulations; (8) financial statements detailing the financial  
77 condition of the school pursuant to subsection (d) of this section and  
78 subsection (g) of section 10a-22d, as amended by this act, prepared by  
79 management and reviewed or audited, or, for a nonaccredited school

80 offering instruction in barbering or hairdressing and annually  
81 enrolling fewer than ten students, compiled, by an independent  
82 licensed certified public accountant or independent licensed public  
83 accountant; and (9) an agent for service of process. Each application for  
84 initial authorization shall be accompanied by a nonrefundable  
85 application fee made payable to the private occupational school  
86 student protection account in the amount of two thousand dollars for  
87 the private occupational school and two hundred dollars for each  
88 branch of a private occupational school in this state.

89 (d) Each person, board, association, partnership, corporation,  
90 limited liability company or other entity seeking to offer occupational  
91 instruction shall have a net worth consisting of sufficient liquid assets  
92 or produce other evidence of fiscal soundness to demonstrate the  
93 ability of the proposed private occupational school to operate, achieve  
94 all of its objectives and meet all of its obligations, including those  
95 concerning staff and students, during the period of time for which the  
96 authorization is sought.

97 (e) Upon receipt of a complete application pursuant to subsection (c)  
98 of this section, the executive director shall cause to be conducted an  
99 evaluation of the applicant school. [Thereafter] Not later than sixty  
100 days (1) after receipt of a complete application for initial authorization,  
101 or (2) prior to expiration of the authorization of a private occupational  
102 school applying to renew its certificate of authorization pursuant to  
103 section 10a-22d, as amended by this act, the executive director, or the  
104 executive director's designee, shall appoint an evaluation team,  
105 pursuant to subsection (f) of this section, to conduct such evaluation of  
106 the applicant school. Not later than one hundred twenty days  
107 following the completed appointment of the evaluation team, the  
108 executive director shall [advise] notify the applicant school of  
109 authorization or nonauthorization. [not later than one hundred twenty  
110 days following the completed appointment of an evaluation team  
111 pursuant to subsection (e) of this section.] The executive director may  
112 consult with the Labor Department and may request the advice of any  
113 other state agency which may be of assistance in making a

114 determination. In the event of nonauthorization, [by] the executive  
115 director [, he] shall set forth the reasons therefor in writing and the  
116 applicant school may request in writing a hearing before the executive  
117 director. Such hearing shall be held in accordance with the provisions  
118 of chapter 54.

119 (f) For purposes of an evaluation of an applicant school, the  
120 executive director, or the executive director's designee, shall appoint  
121 an evaluation team which shall include (1) at least two members  
122 representing the Office of Higher Education, and (2) at least one  
123 member for each of the areas of occupational instruction for which  
124 authorization is sought who shall be experienced in such occupation.  
125 The applicant school shall have the right to challenge any proposed  
126 member of the evaluation team for good cause shown. A written  
127 challenge shall be filed with the executive director within ten business  
128 days following the appointment of such evaluation team. In the event  
129 of a challenge, a decision shall be made thereon by the executive  
130 director within ten business days from the date such challenge is filed,  
131 and if the challenge is upheld the executive director shall appoint a  
132 replacement. Employees of the state or any political subdivision of the  
133 state may be members of evaluation teams. The executive director, or  
134 the executive director's designee, shall not appoint any person to an  
135 evaluation team unless the executive director, or such designee, has  
136 received from such person a statement that the person has no interest  
137 which is in conflict with the proper discharge of the duties of  
138 evaluation team members as described in this section. The statement  
139 shall be on a form prescribed by the executive director and shall be  
140 signed under penalty of false statement. [Members of the evaluation  
141 team shall serve without compensation.] Except for any member of the  
142 evaluation team who is a state employee, members may be  
143 compensated for their service at the discretion of the executive director  
144 and shall be reimbursed for actual expenses, which expenses shall be  
145 charged to and paid by the applicant school.

146 (g) The evaluation team appointed pursuant to subsection (f) of this  
147 section shall: (1) Conduct an on-site inspection; (2) submit a written

148 report outlining any evidence of noncompliance; (3) give the school  
149 [sixty] thirty days from the date of the report to provide evidence of  
150 compliance; and (4) submit to the executive director a written report  
151 recommending authorization or nonauthorization not later than one  
152 hundred twenty days after the on-site inspection. The evaluation team  
153 shall determine whether (A) the quality and content of each course or  
154 program of instruction, including, but not limited to, residential, on-  
155 line, home study and correspondence, training or study shall  
156 reasonably and adequately achieve the stated objective for which such  
157 course or program is offered; (B) the school has adequate space,  
158 equipment, instructional materials and personnel for the instruction  
159 offered; (C) the qualifications of directors, administrators, supervisors  
160 and instructors shall reasonably and adequately assure that students  
161 receive education consistent with the stated objectives for which a  
162 course or program is offered; (D) students and other interested persons  
163 shall be provided with a catalog or similar publication describing the  
164 courses and programs offered, course and program objectives, length  
165 of courses and programs, schedule of tuition, fees and all other charges  
166 and expenses necessary for completion of the course or program, and  
167 termination, withdrawal and refund policies; (E) upon satisfactory  
168 completion of the course or program, each student shall be provided  
169 appropriate educational credentials by the school; (F) adequate records  
170 shall be maintained by the school to show attendance and grades, or  
171 other indicators of student progress, and standards shall be enforced  
172 relating to attendance and student performance; (G) the applicant  
173 school shall be financially sound and capable of fulfilling its  
174 commitments to students; (H) any student housing owned, leased,  
175 rented or otherwise maintained by the applicant school shall be safe  
176 and adequate; and (I) the school and any branch of the school in this  
177 state has a director located at the school or branch who is responsible  
178 for daily oversight of the school's or branch's operations. The  
179 evaluation team may also indicate in its report such recommendations  
180 as may improve the operation of the applicant school.

181 (h) Any hospital offering postsecondary career instruction in any  
182 form or manner in any trade, industrial, commercial, service,

183 professional or other occupation for any remuneration, consideration,  
184 reward or promise, except to hospital employees, members of the  
185 medical staff and training for contracted workers, shall obtain a  
186 certificate of authorization from the executive director for the  
187 occupational instruction offered. Each hospital-based occupational  
188 school submitting an application for initial authorization shall pay an  
189 application fee of two hundred dollars made payable to the private  
190 occupational school student protection account. The executive director  
191 shall develop a process for prioritizing the authorization of hospital-  
192 based occupational schools based on size and scope of occupational  
193 instruction offered. Such schools shall be in compliance with this  
194 section when required pursuant to the executive director's process, or  
195 by 2012, whichever is earlier.

196 (i) Any program, school or other entity offering postsecondary  
197 career instruction in any form or manner in barbering or hairdressing  
198 for any remuneration, consideration, reward or promise shall obtain a  
199 certificate of authorization from the executive director of the Office of  
200 Higher Education for the occupational instruction offered. Each  
201 program, school or entity approved on or before July 1, 2013, by the  
202 Connecticut Examining Board for Barbers, Hairdressers and  
203 Cosmeticians pursuant to chapter 368 or 387 that submits an  
204 application for initial authorization shall pay an application fee of five  
205 hundred dollars made payable to the private occupational school  
206 student protection account. The executive director of the Office of  
207 Higher Education shall develop a process for prioritizing the  
208 authorization of such barber and hairdressing programs, schools and  
209 entities. Such programs, schools and entities shall be in compliance  
210 with this section on or before July 1, 2015, or when required pursuant  
211 to the executive director's process, whichever is earlier. No person,  
212 board, association, partnership corporation, limited liability company  
213 or other entity shall establish a new program, school or other entity  
214 that offers instruction in any form or manner in barbering or  
215 hairdressing on or after July 1, 2013, unless such person, board,  
216 association, partnership, corporation, limited liability company or  
217 other entity first receives from the executive director of the Office of

218 Higher Education a certificate authorizing the barbering or  
219 hairdressing occupational instruction to be offered in accordance with  
220 the provisions of this section.

221 Sec. 3. Subsection (c) of section 10a-22d of the general statutes is  
222 repealed and the following is substituted in lieu thereof (*Effective July*  
223 *1, 2016*):

224 (c) Renewal of the certificate of authorization shall be granted only  
225 upon (1) payment of a nonrefundable renewal fee to the Office of  
226 Higher Education in the amount of two hundred dollars for the private  
227 occupational school and two hundred dollars for each branch of a  
228 private occupational school, (2) submission of any reports or audits, as  
229 prescribed by the executive director or the executive director's  
230 designee, concerning the fiscal condition of the private occupational  
231 school or its continuing eligibility to participate in federal student  
232 financial aid programs, (3) the filing with the executive director of a  
233 complete application for a renewed certificate of authorization not less  
234 than one hundred twenty days prior to the termination date of the  
235 most recent certificate of authorization, and (4) a determination that  
236 the private occupational school meets all the conditions of its recent  
237 authorization, including, but not limited to, at the discretion of the  
238 executive director, evidence that such school is current on its rent or  
239 mortgage obligations, and the filing of documentation with the  
240 executive director that the private occupational school has a passing  
241 financial ratio score as required by 34 CFR 668, as amended from time  
242 to time.

243 Sec. 4. Subsection (g) of section 10a-22d of the general statutes is  
244 repealed and the following is substituted in lieu thereof (*Effective July*  
245 *1, 2016*):

246 (g) Each private occupational school shall keep financial records in  
247 conformity with generally accepted accounting principles. An annual  
248 financial statement detailing the financial status of the school shall be  
249 prepared by school management and reviewed or audited, or, for a  
250 nonaccredited school offering instruction in barbering or hairdressing

251 and annually enrolling fewer than ten students, compiled, by a  
252 licensed certified public accountant or licensed public accountant in  
253 accordance with standards established by the American Institute of  
254 Certified Public Accountants. A copy of such financial statement shall  
255 be filed with the executive director on or before the last day of the  
256 fourth month following the end of the school's fiscal year, except in the  
257 case of a nationally accredited school recognized by the United States  
258 Department of Education, in which case such financial statement shall  
259 be due on or before the last day of the sixth month following the end of  
260 the school's fiscal year. Only audited financial statements shall be  
261 accepted from a nationally accredited school. Upon a nonaccredited  
262 school's written request, the executive director may authorize, for good  
263 cause shown, a filing extension for a period not to exceed sixty days.  
264 No filing extensions shall be granted to a nationally accredited school.

265 Sec. 5. Subsection (a) of section 10a-22g of the general statutes is  
266 repealed and the following is substituted in lieu thereof (*Effective July*  
267 *1, 2016*):

268 (a) A private occupational school which is authorized by the  
269 executive director pursuant to sections 10a-22a to 10a-22o, inclusive, as  
270 amended by this act, and sections 10a-22u to 10a-22w, inclusive, may  
271 request authorization to establish and operate additional classroom  
272 sites or branch schools for the purpose of offering the occupational  
273 instruction authorized by the executive director, provided the  
274 additional classroom site or branch school complies with the  
275 provisions of subsection (b) of this section. Such school shall make  
276 such request for authorization to operate an additional classroom site  
277 or branch school, in the manner and on such forms as prescribed by  
278 the executive director, at least [thirty] sixty days prior to the proposed  
279 establishment of such additional classroom site or branch school.

280 Sec. 6. Subsection (d) of section 10a-22c of the general statutes is  
281 repealed and the following is substituted in lieu thereof (*Effective July*  
282 *1, 2016*):

283 (d) No certificate to operate a new private occupational school shall

284 be issued by the executive director pursuant to section 10a-22d, as  
285 amended by this act, until such private occupational school seeking  
286 authorization files with the executive director an irrevocable letter of  
287 credit issued by a bank with its main office or branch located within  
288 this state in the penal amount of forty thousand dollars guaranteeing  
289 the payments required of the school to the private occupational school  
290 student protection account in accordance with the provisions of section  
291 10a-22u. The letter of credit shall be payable to the private  
292 occupational school student protection account in the event that such  
293 school fails to make payments to the account as provided in subsection  
294 (a) of section 10a-22u or in the event the state takes action to reimburse  
295 the account for a tuition refund paid to a student pursuant to the  
296 provisions of section 10a-22v, provided the amount of the letter of  
297 credit to be paid into the private occupational school student  
298 protection account shall not exceed the amounts owed to the account.  
299 In the event a private occupational school fails to close in accordance  
300 with the provisions of section 10a-22m, as amended by this act, the  
301 executive director may seize the letter of credit, which shall be made  
302 payable to the private occupational school protection account. The  
303 letter of credit required by this subsection shall be released twelve  
304 years after the date of initial approval, provided evidence of fiscal  
305 soundness has been verified.

306 Sec. 7. Section 10a-22m of the general statutes is amended by adding  
307 subsections (d) and (e) as follows (*Effective July 1, 2016*):

308 (NEW) (d) In the event a private occupational school fails to meet  
309 the requirements set forth in subsection (a) of this section and closes  
310 prior to graduating all current students, the executive director may  
311 seize the letter of credit filed by the private occupational school  
312 pursuant to subsection (d) of section 10a-22c, as amended by this act,  
313 and such letter of credit shall be made payable to the private  
314 occupational school student protection account. The executive director  
315 may expend funds from the private occupational school student  
316 protection account up to the amount necessary to facilitate a teach-out  
317 of any remaining students up to and including the issuance of a

318 certificate of completion pursuant to subsection (e) of this section. For  
 319 purposes of this subsection and subsection (e) of this section, (1)  
 320 "teach-out" means the completion of instruction of a course or program  
 321 of study in which a student was enrolled, provided the teach-out  
 322 includes instruction of the entire program of study when a course is a  
 323 part of such program of study, and (2) "certificate of completion"  
 324 means the credential, documented in writing, that is issued to a  
 325 student who completes a course or program of study offered by a  
 326 private occupational school.

327 (NEW) (e) In the event of a private occupational school closure that  
 328 fails to meet the requirements set forth in subsection (a) of this section,  
 329 the executive director may issue a certificate of completion to each  
 330 student that, in the executive director's determination, has successfully  
 331 completed the student's course or program of study in which the  
 332 student was enrolled at the private occupational school.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2016	10a-22a
Sec. 2	July 1, 2016	10a-22b
Sec. 3	July 1, 2016	10a-22d(c)
Sec. 4	July 1, 2016	10a-22d(g)
Sec. 5	July 1, 2016	10a-22g(a)
Sec. 6	July 1, 2016	10a-22c(d)
Sec. 7	July 1, 2016	10a-22m

**HED**      *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

### **OFA Fiscal Note**

#### **State Impact:**

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 17 \$</b>	<b>FY 18 \$</b>
Higher Ed., Off.	Private Occupational School Student Protection Acc - Cost	600-700	600-700
Higher Ed., Off.	Private Occupational School Student Protection Acc - Cost	Potential	Potential

**Municipal Impact:** None

#### **Explanation**

The bill results in a potential cost of \$600-\$700 per year to the private occupational school account (POSA) associated with compensating individuals who serve on private occupational school evaluation teams. Currently, reimbursement is prohibited.

The bill also allows the Office of Higher Education (OHE), in the event of a private occupational school's closure, to spend funds out of the POSA to facilitate a "teach-out" to remaining students. The costs of the "teach-out" would be dependent on the type of school closure, and the number of students still enrolled at the school during the closure process. The OHE may use the required \$40,000 letter of credit the school must file with OHE, to cover some of the expenses of the "teach-out." However, any expenses incurred in excess of the \$40,000 letter of credit would be a cost to the POSA.

The bill makes other various technical and conforming changes that

do not result in a fiscal impact.

***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of school closings, and the number of “teach-outs.”

**OLR Bill Analysis****sSB 26*****AN ACT CONCERNING PRIVATE OCCUPATIONAL SCHOOLS.*****SUMMARY:**

This bill makes various changes to laws governing private occupational schools. Under existing law, private occupational schools are privately controlled schools that offer instruction in trades or industrial, commercial, professional, service, or other occupations for remuneration. Such schools are regulated by the Office of Higher Education (OHE).

Specifically, the bill:

1. requires any entity that wishes to offer instruction through a private occupational school or establish new school branches to meet additional application and evaluation requirements;
2. allows OHE to compensate, at the executive director's discretion, individuals who serve on its occupational school evaluation teams if they are not state employees (see BACKGROUND), which is prohibited under current law;
3. conforms state law to federal regulations by defining private occupational schools as "postsecondary career schools," (i.e., institutions authorized to operate educational programs beyond secondary education);
4. specifies that private occupational schools include hospital-based occupational schools, hairdressing schools, and barbering schools;
5. allows OHE's executive director to accept programmatic accreditation for hospital-offered occupational instruction to

- satisfy authorization renewal requirements, unless she finds reasonable cause not to rely upon such accreditation;
6. requires barbering and hairdressing schools enrolling less than 10 students to submit to OHE's executive director, for both initial and reauthorization purposes, financial statements compiled by an independent licensed certified public accountant or independent licensed public accountant;
  7. allows OHE's executive director to seize a private occupational school's letter of credit, which must be payable to the private occupational school student protection account (see BACKGROUND), if the school (a) closes before graduating all current students and (b) does not meet statutory requirements for closing; and
  8. allows OHE's executive director, in the event of a private occupational school's closure, to (a) spend student protection account funds to facilitate a "teach-out" of remaining students and (b) issue completion certificates to students who have completed their course of study.

The bill also makes several technical and conforming changes.

EFFECTIVE DATE: July 1, 2016

## **APPLICATION AND EVALUATION REQUIREMENTS**

The bill requires any entity that wishes to offer instruction through a private occupational school or establish new school branches to meet additional application and evaluation requirements. These new requirements affect the entity's initial application for authorization, application for authorization renewals, and evaluation process, all of which OHE oversees. By law, entities that may offer occupational instruction include a person, board, association, partnership, corporation, limited liability company, or other entity.

### ***Authorization Renewal***

The bill requires the entity to provide evidence to OHE, at the executive director's discretion, that it is current on its rent and mortgage obligations in order for OHE to renew its certificate of authorization to operate.

### ***New Branch Establishment***

By law, a private occupational school that is authorized by OHE to operate must request authorization to open additional school branches or sites at least 30 days before establishing the new location. The bill increases the required request notice period to 60 days prior to establishment.

### ***Financial Statements***

The bill requires barbering and hairdressing schools enrolling less than 10 students to submit financial statements compiled by an independent licensed certified public accountant or independent licensed public accountant (1) when submitting an initial application for authorization to OHE and (2) as a condition for renewal of authorization. By law, other private occupational schools must, for the same purposes, submit such statements that are instead prepared by management and reviewed and audited by such accountants.

### ***Evaluation Process***

The law requires the OHE executive director or her designee to evaluate any private occupational school that applies for initial or renewal authorization to operate. The bill establishes a timeframe by which the executive director must appoint a team to evaluate an applicant school: either (1) within 60 days of receiving its complete initial application for authorization or (2) 60 days before the expiration date of the school's current authorization certificate. By law, the executive director must notify an applicant about whether it has been authorized to operate within 120 days of evaluation team appointment.

The bill also reduces the amount of time a school has to demonstrate compliance with an evaluation team report for an initial or renewal authorization. By law, an evaluation team must submit a written

report outlining evidence of noncompliance by the school, to which the school currently has 60 days to respond with evidence of compliance. The bill reduces the school response deadline to 30 days from the report date.

## **TEACH-OUTS**

The bill allows the executive director to (1) spend funds from the private occupational school student protection account as needed to facilitate a “teach-out” of any remaining students and (2) issue completion certificates to students whom the OHE executive director determines have successfully completed their course of study. Under current law, the account is used to provide tuition refunds to students who do not complete a course because of a school's insolvency or closure (see BACKGROUND).

The bill defines a “teach-out” as the completion of a course or program of study in which a student was enrolled. If the course is part of a program of study, then the teach-out must include the entire program. The bill defines “certificate of completion” as a written credential issued to a student who completes a course or program of study offered by a private occupational school.

By law, a private occupational school must provide at least 60 days' notice to the OHE executive director before closing. The school also must, among other things, provide evidence that all current students' coursework is or will be completed.

## **BACKGROUND**

### ***Evaluation Team Members***

By law, the OHE executive director must appoint an evaluation team that consists of at least (1) two members representing OHE and (2) one member who is an expert for each occupational instruction area for which the school seeks authorization (CGS § 10a-22b(f)).

### ***Letter of Credit***

By law, a private occupational school must file with the OHE

executive director an irrevocable \$40,000 letter of credit, issued by a bank with its main office or branch in Connecticut, guaranteeing the school's payments to the private occupational school student protection account (CGS § 10a-22c(d)).

**Student Protection Account**

This account is used to refund tuition to students unable to complete a course at a private occupational school because the school becomes insolvent or ceases operating. It is funded by (1) quarterly assessments on private occupational schools' tuition revenue received from Connecticut students and (2) other fees related to the schools' operations (CGS § 10a-22u).

**COMMITTEE ACTION**

Higher Education and Employment Advancement Committee

Joint Favorable Substitute

Yea 18 Nay 0 (03/03/2016)