



General Assembly

February Session, 2016

Raised Bill No. 5171

LCO No. 1054



Referred to Committee on HIGHER EDUCATION AND
EMPLOYMENT ADVANCEMENT

Introduced by:
(HED)

***AN ACT CREATING A SLIDING SCALE FOR LETTERS OF CREDIT
FILED BY PRIVATE OCCUPATIONAL SCHOOLS.***

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

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2 repealed and the following is substituted in lieu thereof (*Effective July*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

4 (d) No certificate to operate a new private occupational school shall
5 be issued by the executive director pursuant to section 10a-22d until
6 such private occupational school seeking authorization files with the
7 executive director an irrevocable letter of credit (1) issued by a bank
8 with its main office or branch located within this state, (2) in an
9 amount to be determined according to a sliding scale developed by the
10 executive director based on the proposed student enrollment, the
11 proposed school catalog and financial statements detailing the
12 condition of the school, submitted in accordance with the provisions of
13 subsection (c) of section 10a-22b, but not to exceed the penal amount of
14 forty thousand dollars, and (3) guaranteeing the payments required of

15 the school to the private occupational school student protection
16 account in accordance with the provisions of section 10a-22u. The letter
17 of credit shall be payable to the private occupational school student
18 protection account in the event that such school fails to make
19 payments to the account as provided in subsection (a) of section 10a-
20 22u or in the event the state takes action to reimburse the account for a
21 tuition refund paid to a student pursuant to the provisions of section
22 10a-22v, provided the amount of the letter of credit to be paid into the
23 private occupational school student protection account shall not
24 exceed the amounts owed to the account. The letter of credit required
25 by this subsection shall be released twelve years after the date of initial
26 approval, provided evidence of fiscal soundness has been verified.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2016</i>	10a-22c(d)

Statement of Purpose:

To create a sliding scale of acceptable amounts for letters of credit filed by private occupational schools with the Office of Higher Education.

[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.]