



General Assembly

February Session, 2016

Raised Bill No. 97

LCO No. 257



Referred to Committee on HIGHER EDUCATION AND
EMPLOYMENT ADVANCEMENT

Introduced by:
(HED)

**AN ACT CONCERNING THE PRIVATE OCCUPATIONAL SCHOOL
STUDENT PROTECTION ACCOUNT.**

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

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2 to the general statutes is repealed and the following is substituted in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

4 (a) There shall be an account to be known as the private
5 occupational school student protection account within the General
6 Fund. Each private occupational school authorized in accordance with
7 the provisions of sections 10a-22a to 10a-22o, inclusive, shall pay to the
8 State Treasurer an amount equal to four-tenths of one per cent of the
9 tuition received by such school per calendar quarter exclusive of any
10 refunds paid, except that distance learning and correspondence [and
11 home study] schools authorized in accordance with the provisions of
12 sections 10a-22a to 10a-22o, inclusive, shall contribute to said account
13 only for Connecticut residents enrolled in such schools. Payments shall
14 be made by January thirtieth, April thirtieth, July thirtieth and October
15 thirtieth in each year for tuition received during the three months next

16 preceding the month of payment. In addition to amounts received
17 based on tuition, the account shall also contain any amount required to
18 be deposited into the account pursuant to sections 10a-22a to 10a-22o,
19 inclusive. Said account shall be used for the purposes of section 10a-
20 22v, as amended by this act. Any interest, income and dividends
21 derived from the investment of the account shall be credited to the
22 account. All direct expenses for the maintenance of the account may be
23 charged to the account upon the order of the State Comptroller. The
24 executive director may assess the account for all direct expenses
25 incurred in the implementation of the purposes of this section which
26 are in excess of the normal expenditures of the Office of Higher
27 Education.

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 Section 10a-22v of the general statutes is repealed and the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

30 Any student enrolled in a private occupational school authorized in
31 accordance with the provisions of sections 10a-22a to 10a-22o,
32 inclusive, who is unable to complete a course or unit of instruction at
33 such school because of the insolvency or cessation of operation of the
34 school and who has paid tuition for such course or unit of instruction,
35 may make application to the executive director for a refund of tuition
36 from the account established pursuant to section 10a-22u, as amended
37 by this act, to the extent that such account exists or has reached the
38 level necessary to pay outstanding approved claims, except that in the
39 case of distance learning and correspondence [and home study]
40 schools authorized in accordance with the provisions of sections 10a-
41 22a to 10a-22o, inclusive, only Connecticut residents enrolled in such
42 schools may be eligible for such refund. Upon such application, the
43 executive director shall determine whether the applicant is unable to
44 complete a course or unit of instruction because of the insolvency or
45 cessation of operation of the school to which tuition has been paid. The
46 executive director may summon by subpoena any person, records or
47 documents pertinent to the making of a determination regarding
48 insolvency or cessation of operation. For the purpose of making any

49 tuition refund pursuant to this section, a school shall be deemed to
50 have ceased operation whenever it has failed to complete a course or
51 unit of instruction for which the student has paid a tuition fee and, as a
52 result, the school's authorization has been revoked pursuant to section
53 10a-22f. If the executive director finds that the applicant is entitled to a
54 refund of tuition because of the insolvency or cessation of operation of
55 the school, the executive director shall determine the amount of an
56 appropriate refund which shall be equal to or a portion of the tuition
57 paid for the uncompleted course or unit of instruction. Thereafter the
58 executive director shall direct the State Treasurer to pay, per order of
59 the Comptroller, the refund to the applicant or persons, agencies or
60 organizations indicated by the applicant who have paid tuition on the
61 student's behalf. If the student is a minor, payment shall be made to
62 the student's parent, parents or legal guardian. In no event shall a
63 refund be made from the student protection account for any financial
64 aid provided to or on behalf of any student in accordance with the
65 provisions of Title IV, Part B of the Higher Education Act of 1965, as
66 amended from time to time. Each recipient of a tuition refund made in
67 accordance with the provisions of this section shall assign all rights to
68 the state of any action against the school or its owner or owners for
69 tuition amounts reimbursed pursuant to this section. Upon such
70 assignment, the state may take appropriate action against the school or
71 its owner or owners in order to reimburse the student protection
72 account for any expenses or claims that are paid from the account and
73 to reimburse the state for the reasonable and necessary expenses in
74 undertaking such action. Any student who falsifies information on an
75 application for tuition reimbursement shall lose his or her right to any
76 refund from the account.

77 Sec. 3. Section 10a-22w of the general statutes is repealed and the
78 following is substituted in lieu thereof (*Effective July 1, 2016*):

79 On or before June thirtieth of each year the State Treasurer shall
80 determine the balance of the account established pursuant to section
81 10a-22u, as amended by this act. [Following such determination by the

82 State Treasurer, if the balance of the account is more than two million
83 five hundred thousand dollars, schools which began payments to the
84 account on or before October 1, 1987, shall cease further payments to
85 the account until it falls below five per cent of such annual net tuition
86 income at which time payment shall be resumed pursuant to section
87 10a-22u. Schools which begin payments to the account after October 1,
88 1987, shall continue to make payments to the account when the balance
89 of the account is six per cent or more of such annual net tuition income
90 for a period of time equal to the number of calendar quarters from
91 October 1, 1987, to the date on which the account first equaled said six
92 per cent, provided such schools shall make payments to the account
93 pursuant to said section 10a-22u when the account falls below five per
94 cent of such annual net tuition income.]

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| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | <i>July 1, 2016</i> | 10a-22u(a) |
| Sec. 2 | <i>July 1, 2016</i> | 10a-22v |
| Sec. 3 | <i>July 1, 2016</i> | 10a-22w |

HED *Joint Favorable*