House of Representatives

General Assembly

File No. 249

January Session, 2025

House Bill No. 7098

House of Representatives, March 25, 2025

The Committee on Higher Education and Employment Advancement reported through REP. HADDAD of the 54th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING TUITION REFUNDS FOR FORMER STONE ACADEMY STUDENTS.

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

Section 1. Section 67 of public act 23-204 is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) The Office of Higher Education shall pay from the private career school student protection account a stipend to each person who (1) graduated from the practical nurse education program at Stone Academy, also known as Career Training Specialists, LLC, during the period commencing November 1, 2021, and ending February 28, 2023, (2) has taken or passed the examination for licensure as a licensed practical nurse, and (3) meets any requirements established by the executive director of the Office of Higher Education. The amount that may be paid by the office pursuant to this subsection shall be determined by the executive director, but shall not exceed one hundred fifty thousand dollars in the aggregate.

(b) The Office of Higher Education shall pay from the private career school student protection account a refund of tuition, pursuant to the process established under section 10a-22v of the general statutes, to each applicant who (1) was enrolled in, but did not graduate from, the practical nurse education program at Stone Academy, also known as Career Training Specialists, LLC, during the period commencing November 1, 2021, and ending February 28, 2023, **[**and**]** (2) completed a course or unit of instruction at Stone Academy that **[**was not in compliance with applicable statutes and regulations concerning such course or unit of instruction**]** has not been accepted at another practical nurse education program as transfer credits, (3) has not previously received a refund of such tuition, and (4) has not participated in a (A) teach-out, as defined in section 10a-22m of the general statutes, or (B) proctored comprehensive predictor examination administered on or after the effective date of this section by an institution identified by the Office of Higher Education. If the executive director of the Office of Higher Education finds that the applicant is entitled to a refund of tuition pursuant to this subsection, the executive director shall determine the amount of an appropriate refund which shall not exceed the tuition paid for such course or unit of instruction. Such refund of tuition shall be paid in the manner and subject to the terms specified in section 10a-22v of the general statutes, except such applicant may apply for such refund of tuition on or before June 30, 2026. As used in this subsection, "proctored comprehensive predictor examination" is an examination that assesses a nursing student's readiness to pass the National Council Licensure Examination for Practical Nurses.

(c) The state may take appropriate action, including, but not limited to, an action in Superior Court, against said private career school or its owner or owners to reimburse the private career school student protection account for the stipends, refunds and administrative costs that are paid from the account pursuant to this section and to reimburse the state for the reasonable and necessary expenses in undertaking such action. The state shall reimburse the private career school student protection account up to an amount equal to such stipends, refunds and administrative costs from any funds it collects through such action.

Nothing in this section shall be construed to limit any right or remedy available to the state arising from the operations of said private career school.

This act shall take effect as follows and shall amend the following sections:		
Section 1	*from passage*	PA 23-204, Sec. 67

HED *Joint Favorable*

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:

Agency Affected	Fund-Effect	FY 26 $	FY 27 $
Higher Ed., Off.	Private Career School Student Protection Account- Cost	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill results in a one-time cost of approximately $610,000 to the Private Career School Student Protection Account administered by the Office of Higher Education.[1] It does so by expanding the number of former students of Stone Academy who may receive a tuition refund from the account.

It is anticipated that approximately 300 former students would be eligible for a refund as a result of the bill. The fiscal year in which the cost is incurred will vary based on when students apply for, and receive, a refund. Applications may be received in FY 25 through FY 26.

The Out Years

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

[1] The Private Career School Student Protection Account is a non-lapsing account funded by fees paid by private career schools. The current balance is approximately $2.6 million.

OLR Bill Analysis

HB 7098

AN ACT CONCERNING TUITION REFUNDS FOR FORMER STONE ACADEMY STUDENTS.

SUMMARY

This bill establishes new eligibility criteria for former Stone Academy students to receive tuition refunds from the private career school student protection account. It makes these students eligible if they were enrolled in, but did not graduate from, Stone Academy's practical nurse education program between November 1, 2021, and February 28, 2023, and did not:

1. receive credit for a Stone Academy course or unit at another practical nurse education program;
2. receive a tuition refund from this account already;
3. participate in a teach-out (instruction that completes a course or program after a private school closes); or
4. after the bill's effective date, take a proctored comprehensive predicter examination given by an Office of Higher Education (OHE)-identified institution (this exam assesses a student's readiness for the National Council Licensure Examination for Practical Nurses).

The bill allows these students to apply for a tuition refund until June 30, 2026.

Previously, students who were enrolled in Stone Academy's practical nurse program but did not graduate during this same time period were eligible for tuition refunds if they completed a course or unit that did not comply with legal requirements. Students eligible under these

criteria had two years after Stone Academy closed to apply for tuition reimbursement and this application period recently expired.

EFFECTIVE DATE: Upon passage

BACKGROUND

Private Career School Student Protection Account

This General Fund account is generally used to refund tuition to students unable to complete a course at a private career school because the school became insolvent or ceased operation. It is funded by quarterly assessments on private career schools and certain other fees (CGS § 10a-22u).

By law, OHE may also use up to $150,000 from the fund to pay stipends to former Stone Academy students (PA 23-204, § 67).

Application for Private Career School Tuition Refund

When a private career school becomes insolvent or closes abruptly, preventing a student from finishing a course or unit of instruction, state law allows the student to apply to OHE for a tuition refund. OHE reviews the applications and determines the validity of the student's claim and the amount of the refund.

Tuition refunds are financed by the private career school student protection account. The student or any person or organization who paid tuition on the student's behalf receives a refund from the state to the extent the account has the necessary funds (CGS § 10a-22v).

COMMITTEE ACTION

Higher Education and Employment Advancement Committee

Joint Favorable
Yea 18 Nay 0 (03/11/2025)