

CONNECTICUT GENERAL STATUTES
Revised to January 2011

CONCERNING THE AUTHORIZATION OF PRIVATE OCCUPATIONAL SCHOOLS

Sec. 10a-22a. (Formerly Sec. 10-7a). Private occupational schools.
Definitions. As used in sections 10a-22a to 10a-22o, inclusive:

(1) "Private occupational school" means a person, board, association, partnership, corporation, limited liability company or other entity offering instruction in any form or manner in any trade, industrial, commercial, service, professional or other occupation for any remuneration, consideration, reward or promise of whatever nature, except "private occupational school" shall not include (A) instruction offered under public supervision and control; (B) instruction conducted by a firm or organization solely for the training of its own employees or members; or (C) instruction offered by a school authorized by the General Assembly to confer degrees;

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

(3) "Board of Governors" means the Board of Governors of Higher Education;

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

(5) "Commissioner" means the Commissioner of Higher Education.

Sec. 10a-22b. (Formerly Sec. 10-7b). Certificate of authorization as private occupational school. Application. Evaluation. Hospital-based occupational school.

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

(b) Except for initial authorizations, the commissioner shall accept institutional accreditation by an accrediting agency recognized by the United States Department of Education, in satisfaction of the requirements of this section and section 10a-22d, including the evaluation and attendance requirement, unless the commissioner finds reasonable cause not to rely upon such accreditation.

(c) Each person, board, association, partnership, corporation, limited liability company or other entity which seeks to offer occupational instruction shall submit to the commissioner, or the commissioner's designee, in such manner as the commissioner, or the commissioner's designee, prescribes, an application for a certificate of authorization which includes, but need not be limited to, (1) the proposed name of the school; (2) ownership and organization of the school including the names and addresses of all principals, officers, members and directors; (3) names and addresses of all stockholders of the school, except for applicants which are listed on a national securities exchange; (4) addresses of any building or premises on which the school will be located; (5) description of the occupational instruction to be offered; (6) the proposed student enrollment agreement, which includes for each program of occupational instruction offered a description, in plain language, of any requirements for employment in such occupation or barriers to such employment pursuant to state law or regulations; (7) the proposed school catalog, which includes for each program of occupational instruction offered a description of any requirements for employment in such occupation or barriers to such employment pursuant to state law or regulations; (8) financial statements detailing the financial condition of the school pursuant to subsection (d) of this section and subsection (g) of section 10a-22d prepared by management and reviewed or audited by an independent licensed certified public accountant or independent licensed public accountant; and (9) an agent for service of process. Each application for initial authorization shall be accompanied by a nonrefundable application fee made payable to the private occupational school student protection account in the amount of two thousand dollars for the private occupational school and two hundred dollars for each branch of a private occupational school in this state.

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

(e) Upon receipt of a complete application pursuant to subsection (c) of this section, the commissioner shall cause to be conducted an evaluation of the applicant school. Thereafter, the commissioner shall advise the applicant of authorization or nonauthorization not later than one hundred twenty days following the completed appointment of an evaluation team pursuant to subsection (e) of this section. The commissioner may consult with the Labor Department and may request the advice of any other state agency which may be of assistance in making a determination. In the event of nonauthorization by the commissioner, he shall set forth the reasons therefor in writing and the applicant school may request in writing a hearing before the commissioner. Such hearing shall be held in accordance with the provisions of chapter 54.

(f) For purposes of an evaluation of an applicant school, the commissioner, or the commissioner's designee, shall appoint an evaluation team which shall include (1) at least two members representing the Board of Governors, and (2) at least one member for each of the areas of occupational instruction for which authorization is sought who shall be experienced in such occupation. The applicant school shall have the right to challenge any proposed member of the evaluation team for good cause shown. A written challenge

shall be filed with the commissioner within ten business days following the appointment of such evaluation team. In the event of a challenge, a decision shall be made thereon by the Commissioner of Higher Education within ten business days from the date such challenge is filed, and if the challenge is upheld the Commissioner of Higher Education shall appoint a replacement. Employees of the state or any political subdivision of the state may be members of evaluation teams. The commissioner, or the commissioner's designee, shall not appoint any person to an evaluation team unless the commissioner, or such designee, has received from such person a statement that the person has no interest which is in conflict with the proper discharge of the duties of evaluation team members as described in this section. The statement shall be on a form prescribed by the commissioner and shall be signed under penalty of false statement. Members of the evaluation team shall serve without compensation. Except for any member of the evaluation team who is a state employee, members shall be reimbursed for actual expenses, which expenses shall be charged to and paid by the applicant school.

(g) The evaluation team appointed pursuant to subsection (f) of this section shall: (1) Conduct an on-site inspection; (2) submit a written report outlining any evidence of noncompliance; (3) give the school sixty days from the date of the report to provide evidence of compliance; and (4) submit to the commissioner a written report recommending authorization or nonauthorization not later than one hundred twenty days after the on-site inspection. The evaluation team shall determine whether (A) the quality and content of each course or program of instruction, including, but not limited to, residential, on-line, home study and correspondence, training or study shall reasonably and adequately achieve the stated objective for which such course or program is offered; (B) the school has adequate space, equipment, instructional materials and personnel for the instruction offered; (C) the qualifications of directors, administrators, supervisors and instructors shall reasonably and adequately assure that students receive education consistent with the stated objectives for which a course or program is offered; (D) students and other interested persons shall be provided with a catalog or similar publication describing the courses and programs offered, course and program objectives, length of courses and programs, schedule of tuition, fees and all other charges and expenses necessary for completion of the course or program, and termination, withdrawal and refund policies; (E) upon satisfactory completion of the course or program, each student shall be provided appropriate educational credentials by the school; (F) adequate records shall be maintained by the school to show attendance and grades, or other indicators of student progress, and standards shall be enforced relating to attendance and student performance; (G) the applicant school shall be financially sound and capable of fulfilling its commitments to students; (H) any student housing owned, leased, rented or otherwise maintained by the applicant school shall be safe and adequate; and (I) the school and any branch of the school in this state has a director located at the school or branch who is responsible for daily oversight of the school's or branch's operations. The evaluation team may also indicate in its report such recommendations as may improve the operation of the applicant school.

(h) Any hospital offering instruction in any form or manner in any trade, industrial, commercial, service, professional or other occupation for any remuneration, consideration, reward or promise, except to hospital employees, members of the medical staff and training for contracted workers, shall obtain a certificate of authorization from the Commissioner of Higher Education for the occupational instruction offered. Each

hospital-based occupational school submitting an application for initial authorization shall pay an application fee of two hundred dollars made payable to the private occupational school student protection account. The commissioner shall develop a process for prioritizing the authorization of hospital-based occupational schools based on size and scope of occupational instruction offered. Such schools shall be in compliance with this section when required pursuant to the commissioner's process, or by 2012, whichever is earlier.

Sec. 10a-22c. (Formerly Sec. 10-7c). When certificate to operate shall not be authorized. (a) No certificate to operate a private occupational school shall be authorized by the commissioner, or the commissioner's designee, if (1) any principal, officer, member or director of the applicant school has acted in a similar capacity for a private occupational school which has had its authorization revoked pursuant to section 10a-22f; (2) the applicant school does not have a net worth consisting of sufficient liquid assets or other evidence of fiscal soundness to operate for the period of time for which authorization is sought; (3) the applicant school or any of its agents engages in advertising, sales, collection, credit or other practices which are false, deceptive, misleading or unfair; (4) the applicant school has any policy which discourages or prohibits the filing of inquiries or complaints regarding the school's operation with the commissioner; (5) the applicant school fails to satisfactorily meet the criteria set forth in subsection (g) of section 10a-22b; (6) a private occupational school that has previously closed fails to follow the procedures for school closure under section 10a-22m; or (7) the applicant school does not have a director located at the school and at each of its branches in this state.

(b) The commissioner may deny a certificate of authorization if the person who owns or intends to operate a private occupational school has been convicted in this state, or any other state, of larceny in violation of section 53a-122 or 53a-123; identity theft in violation of section 53a-129b or 53a-129c; forgery in violation of section 53a-138 or 53a-139; or has a criminal record in this state, or any other state, that the commissioner reasonably believes renders the person unsuitable to own and operate a private occupational school. A refusal of a certificate of authorization under this subsection shall be made in accordance with the provisions of sections 46a-79 to 46a-81, inclusive.

(c) No certificate to operate a private occupational school shall be issued by the commissioner pursuant to section 10a-22d until such private occupational school seeking authorization files with the commissioner certificates indicating that the buildings and premises for such school meet all applicable state and local fire and zoning requirements. Such certificates shall be attested to by the fire marshal and zoning enforcement officer within the municipality in which such school is located.

(d) No certificate to operate a new private occupational school shall be issued by the commissioner pursuant to section 10a-22d until such private occupational school seeking authorization files with the commissioner an irrevocable letter of credit issued by a bank with its main office or branch located within this state in the penal amount of forty thousand dollars guaranteeing the payments required of the school to the private occupational school student protection account in accordance with the provisions of section 10a-22u. The letter of credit shall be payable to the private occupational school student protection account in the event that such school fails to make payments to the

account as provided in subsection (a) of section 10a-22u or in the event the state takes action to reimburse the account for a tuition refund paid to a student pursuant to the provisions of section 10a-22v, provided the amount of the letter of credit to be paid into the private occupational school student protection account shall not exceed the amounts owed to the account. The letter of credit required by this subsection shall be released twelve years after the date of initial approval, provided evidence of fiscal soundness has been verified.

(e) The commissioner shall notify the applicant private occupational school, by certified mail, return receipt requested of the decision to grant or deny a certificate of authorization not later than sixty days after receiving the written report of the evaluation team appointed pursuant to subsection (f) of section 10a-22b.

Sec. 10a-22d. (Formerly Sec. 10-7d). Authorization: Conditions for renewal, fees, probation, extension. (a) After the initial year of approval and for the next three years of operation as a private occupational school, renewal of the certificate of authorization shall be required annually.

(b) Following the fourth year of continuous authorization, a renewal of the certificate of authorization, if granted, shall be for a period not to exceed five years and may be subject to an evaluation pursuant to subsections (f) and (g) of section 10a-22b, provided no private occupational school shall operate for more than five additional years from the date of any renewal without the completion of an evaluation pursuant to subsections (f) and (g) of section 10a-22b.

(c) Renewal of the certificate of authorization shall be granted only upon (1) payment of a nonrefundable renewal fee to the Board of Governors in the amount of two hundred dollars for the private occupational school and two hundred dollars for each branch of a private occupational school, (2) submission of any reports or audits, as prescribed by the commissioner or the commissioner's designee, concerning the fiscal condition of the school or its continuing eligibility to participate in federal student financial aid programs, (3) the filing with the commissioner of a complete application for a renewed certificate of authorization not less than one hundred twenty days prior to the termination date of the most recent certificate of authorization, (4) a determination that the occupational school meets all the conditions of its recent authorization, and the filing of documentation with the commissioner that the occupational school has a passing financial ratio score as required by 34 CFR 668, as amended from time to time.

(d) If the commissioner, or the commissioner's designee, determines, at any time during a school's authorization period, that such school is out of compliance with the conditions of authorization under sections 10a-22a to 10a-22o, inclusive, and any applicable regulations of Connecticut state agencies, the school may be placed on probation for a period not to exceed one year. If, after the period of one year of probationary status, the school remains out of compliance with the conditions of authorization, the commissioner may revoke such school's certificate of authorization to operate as a private occupational school pursuant to section 10a-22f. During the school's period of probation, the school shall post its probationary certificate of authorization in public view. The Department of Higher Education may publish the school's probationary certificate of authorization status.

(e) Notwithstanding the provisions of sections 10a-22a to 10a-22o, inclusive, the commissioner may authorize the extension of the most recent certificate of authorization for a period not to exceed sixty days for good cause shown, provided such extension shall not change the date of the original certificate's issuance or the date for each renewal.

(f) After the first year of authorization, each private occupational school shall pay a nonrefundable annual fee to the private occupational school student protection account in the amount of two hundred dollars for the private occupational school and two hundred dollars for each branch of a private occupational school. The annual fee shall be due and payable for each year after the first year of authorization that the private occupational school and any branch of a private occupational school is authorized by the commissioner to offer occupational instruction. Such annual fee shall be in addition to any renewal fee assessed under this section.

(g) Each private occupational school shall keep financial records in conformity with generally accepted accounting principles. An annual financial statement detailing the financial status of the school shall be prepared by school management and reviewed or audited by a licensed certified public accountant or licensed public accountant in accordance with standards established by the American Institute of Certified Public Accountants. A copy of such financial statement shall be filed with the commissioner on or before the last day of the fourth month following the end of the school's fiscal year, except in the case of a nationally accredited school recognized by the United States Department of Education, in which case such financial statement shall be due on or before the last day of the sixth month following the end of the school's fiscal year. Only audited financial statements shall be accepted from a nationally accredited school. Upon a nonaccredited school's written request, the commissioner may authorize, for good cause shown, a filing extension for a period not to exceed sixty days. No filing extensions shall be granted to a nationally accredited school.

Sec. 10a-22e. (Formerly Sec. 10-7f). Revision of conditions of authorization.

(a) During any period of authorization by the commissioner to operate as a private occupational school pursuant to sections 10a-22a to 10a-22o, inclusive, and sections 10a-22u to 10a-22w, inclusive, such private occupational school may request revision of the conditions of its authorization. Such school shall make such request to the commissioner, in the manner and on such forms prescribed by the commissioner sixty days prior to the proposed implementation date of any intended revision. Such revision shall include, but not be limited to, changes in (1) courses or programs; (2) ownership of the school; (3) name of the school; (4) location of the school's main campus; or (5) location of any of the school's additional classroom sites or branch campuses. A private occupational school requesting revision of the conditions of its authorization based on a change in ownership of the school shall submit an application and letter of credit pursuant to sections 10a-22b and 10a-22c, accompanied by a nonrefundable change of ownership fee made payable to the private occupational school student protection account under section 10a-22u in the amount of two thousand dollars for the private occupational school and two hundred dollars for each branch of a private occupational school in this state.

(b) The commissioner, or the commissioner's designee, may, not later than thirty days after receipt of a request to revise the conditions of authorization, issue an order

prohibiting any such change if it would constitute a material or substantial deviation from the conditions of authorization.

(c) If the commissioner, or the commissioner's designee, fails to take action upon a request for revision by the thirtieth day following the proposed implementation date of the intended revision, such request shall be deemed approved, and the private occupational school's certificate of authorization shall be so revised for the same period as its current authorization.

Sec. 10a-22f. (Formerly Sec. 10-7g). Revocation of certificate of authorization. (a) A certificate of authorization issued to a private occupational school pursuant to sections 10a-22a to 10a-22o, inclusive, and sections 10a-22u to 10a-22w, inclusive, may be revoked by the commissioner if such school (1) ceases to meet the conditions of its authorization; (2) commits a material or substantial violation of sections 10a-22a to 10a-22o, inclusive, or sections 10a-22u to 10a-22w, inclusive, or the regulations prescribed thereunder; (3) makes a false statement about a material fact in application for authorization or renewal; or (4) fails to make a required payment to the private occupational school student protection account pursuant to section 10a-22u.

(b) The commissioner, or the commissioner's designee, shall serve written notice, by certified mail, return receipt requested upon a private occupational school indicating that revocation of the school's authorization is under consideration and the commissioner shall set forth the reasons such revocation is being considered. Not later than forty-five days after mailing such written notice, the commissioner, or the commissioner's designee, shall hold a compliance conference with the private occupational school.

(c) If, after the compliance conference, the commissioner determines that revocation of the certificate of authorization is appropriate, the commissioner shall issue an order and serve written notice by certified mail, return receipt requested upon the private occupational school, which notice shall include, but not be limited to, the date of the revocation.

(d) A private occupational school aggrieved by the order of the commissioner revoking its certificate of authorization pursuant to subsection (c) of this section shall, not later than fifteen days after such order is mailed, request in writing a hearing before the commissioner. Such hearing shall be held in accordance with the provisions of chapter 54.

Sec. 10a-22g. (Formerly Sec. 10-7h). Additional classroom sites and branch schools. (a) A private occupational school which is authorized by the commissioner pursuant to sections 10a-22a to 10a-22o, inclusive, and sections 10a-22u to 10a-22w, inclusive, may request authorization to establish and operate additional classroom sites or branch schools for the purpose of offering the occupational instruction authorized by the commissioner, provided the additional classroom site or branch school complies with the provisions of subsection (b) of this section. Such school shall make such request for authorization to operate an additional classroom site or branch school, in the manner and on such forms as prescribed by the commissioner, at least thirty days prior to the proposed establishment of such additional classroom site or branch school.

(b) The buildings and premises for such additional classroom site or branch school shall meet all applicable state and local fire and zoning requirements, and certificates attesting the same signed by the local fire marshal and zoning enforcement officer shall be filed with the commissioner prior to offering such occupational instruction. The additional classroom site or branch school shall be in compliance with the relevant requirements set forth in subsection (g) of section 10a-22b.

(c) The commissioner, or the commissioner's designee, not later than thirty days after the proposed date for establishment of a branch school, may issue an order prohibiting any such establishment of a branch school if it would constitute a material or substantial deviation from the conditions of authorization or if the private occupational school fails to meet the requirements set forth in subsection (b) of this section.

(d) If the commissioner, or the commissioner's designee, fails to take action upon the request for revision by the thirtieth day after the proposed date for establishment of such additional classroom site or branch school, such request shall be deemed approved.

Sec. 10a-22h. (Formerly Sec. 10-7i). Representatives of private occupational schools. (a) No representative of a private occupational school not authorized pursuant to sections 10a-22a to 10a-22o, inclusive, and sections 10a-22u to 10a-22w, inclusive, shall visit the residence of any prospective student, solicit enrollments, sell occupational instruction in any form or manner, make representations or give counsel to prospective students without first obtaining a permit from the commissioner. Such permit shall not be represented to constitute approval of the school itself. Any contract entered into in violation of this section shall not be enforceable by such school.

(b) Any person seeking to represent an out-of-state private occupational school not authorized pursuant to sections 10a-22a to 10a-22o, inclusive, and sections 10a-22u to 10a-22w, inclusive, shall file an application with the state Department of Higher Education on forms prescribed by the commissioner. Upon issuance of a permit such representative shall pay a nonrefundable fee of five hundred dollars into the private occupational student protection account. The permit shall be valid for a period of one year from date of issuance.

Sec. 10a-22i. (Formerly Sec. 10-7j). Administrative penalty. (a) The commissioner may assess any person, board, partnership, association, corporation, limited liability company or other entity which violates any provision of sections 10a-22a to 10a-22o, inclusive, sections 10a-22u to 10a-22w, inclusive, or regulations adopted pursuant to section 10a-22k an administrative penalty in an amount not to exceed five hundred dollars for each day of such violation.

(b) The commissioner shall serve written notice upon a private occupational school when the assessment of such an administrative penalty is under consideration. The notice shall set forth the reasons for the assessment of the penalty. Not later than forty-five days after mailing such notice to the private occupational school, the commissioner, or the commissioner's designee, shall hold a compliance conference with the private occupational school.

(c) If, after the compliance conference, the commissioner determines that imposition of an administrative penalty is appropriate, the commissioner shall issue an order and serve written notice by certified mail, return receipt requested upon the private occupational school.

(d) A private occupational school aggrieved by the order of the commissioner imposing an administrative penalty pursuant to subsection (c) of this section shall, not later than fifteen days after such order is mailed, request in writing a hearing before the commissioner. Such hearing shall be held in accordance with the provisions of chapter 54.

Sec. 10a-22j. (Formerly Sec. 10-7k). Court orders to prevent violations. The commissioner, through the Attorney General, may seek an order from the Superior Court to prevent any violation of sections 10a-22a to 10a-22o, inclusive, or sections 10a-22u to 10a-22w, inclusive.

Sec. 10a-22k. (Formerly Sec. 10-7l). Regulations. The Board of Governors shall adopt regulations in accordance with the provisions of chapter 54 in order to carry out the provisions of sections 10a-22a to 10a-22o, inclusive, and sections 10a-22u to 10a-22w, inclusive.

Sec. 10a-22l. Operation without certificate of authorization. Penalty. Investigation. (a) Any private occupational school operating without a certificate of authorization required under section 10a-22b or operating an additional classroom site or branch school in violation of section 10a-22g shall be fined not more than five hundred dollars for each day of unauthorized operation, to be paid into the private occupational student protection account.

(b) The commissioner, or the commissioner's designee, may conduct an investigation and, through the Attorney General, maintain an action in the name of the state against any person to restrain or prevent the establishment or operation of an institution that does not have a certificate of authorization.

Sec. 10a-22m. School closure. Revocation of certificate of authorization. (a) A private occupational school shall notify the commissioner, in writing, at least sixty days prior to closure of such school. The private occupational school shall provide evidence prior to closing that: (1) All course work is or will be completed by current students at the school; (2) there are no refunds due any students; (3) all student records will be maintained as prescribed in section 10a-22n; (4) final payment has been made to the private occupational school student protection account; (5) a designation of service form has been filed with the commissioner; and (6) the certificate of authorization has been returned to the commissioner.

(b) Any private occupational school that fails to meet the requirements outlined in subsection (a) of this section shall be fined not more than five hundred dollars per day for each day of noncompliance and, pursuant to subdivision (6) of subsection (a) of section 10a-22c, shall be ineligible to be issued a certificate of authorization upon application to operate a private occupational school. Funds collected pursuant to this subsection shall be placed in the private occupational student protection account established pursuant to section 10a-22u.

(c) If the commissioner revokes a private occupational school's certificate of authorization, such school shall comply with the requirements of subsection (a) of this section. Failure to comply shall result in further penalties at the discretion of the commissioner.

Sec. 10a-22n. Maintenance of school records. (a) A private occupational school shall maintain, preserve and protect, in a manner approved by the Commissioner of Higher Education, or the commissioner's designee, all school records including, but not limited to: (1) Student or academic transcripts; (2) attendance records or other indicators of student progress; (3) copies of individual enrollment agreements or contracts; (4) evidence of tuition payments; and (5) any other documentation as prescribed by the commissioner.

(b) The commissioner, or the commissioner's designee, may at any time during regular business or school hours, with or without notice, visit a private occupational school. During such visitation, the commissioner, or the commissioner's designee, may request an officer or director of the school to produce, and shall be provided with immediate access to, such records or information as are required to verify that the school continues to meet the conditions of authorization.

(c) If a school ceases to operate as a private occupational school, it shall keep the commissioner advised in writing as to the location and availability of student records or shall file all such records with the commissioner.

Sec. 10a-22o. Enforcement of orders issued by commissioner. Investigations by commissioner. (a) The commissioner, through the Attorney General, may petition the superior court for the judicial district of Hartford for the enforcement of any order issued by the commissioner, and for other appropriate relief. The court may issue such orders as are appropriate to aid in enforcement.

(b) The commissioner, or the commissioner's designee, may conduct any necessary review, inspection or investigation regarding applications for certificates of authorization or possible violations of sections 10a-22a to 10a-22o, inclusive, or of any applicable regulations of Connecticut state agencies. In connection with any investigation, the commissioner or the commissioner's designee, may administer oaths, issue subpoenas, compel testimony and order the production of any record or document. If any person refuses to appear, testify or produce any record or document when so ordered, the commissioner may seek relief pursuant to subsection (a) of this section.

Sec. 10a-22p. Reserved for future use.

Sec. 10a-22q. (Formerly Sec. 10-7r). Private occupational school student benefit account. After each annual determination of the balance of the private occupational school student protection account required by section 10a-22w, if the balance of the account is more than two million five hundred thousand dollars, the State Treasurer shall transfer to a separate, nonlapsing account within the General Fund, to be known as the private occupational school student benefit account, three-fourths of the annually accrued interest of said student protection account.

Sec. 10a-22r. (Formerly Sec. 10-7s). Administration of private occupational school student benefit account. Advisory committee established. There is established an advisory committee to the Commissioner of Higher Education consisting of seven members appointed by the commissioner, including a representative of the private occupational schools, a representative from the Department of Higher Education and five members chosen from business or industry, state legislators, private occupational school alumni and the general public. Three of the members first appointed to the committee shall be appointed for a term of three years and four of the members first appointed shall be appointed for a term of two years. Thereafter, all members shall be appointed for a term of two years. The Commissioner of Higher Education shall administer the private occupational school student benefit account with the advice of the advisory committee and may assess the account for all direct expenses incurred in the implementation of this section. The account shall be used to award financial aid grants for the benefit of private occupational school students. The grants shall be paid to the private occupational school designated by the grant recipient to be applied against the tuition expenses of such recipient. If the balance of the student protection account is five per cent or less of the annual net tuition income of the schools which make payments to the account pursuant to section 10a-22u, any unallocated funds in the student benefit account shall be transferred to the student protection account.

Sec. 10a-22s. (Formerly Sec. 10-7t). Duties of Commissioner of Higher Education re financial aid grants. The Commissioner of Higher Education, with the advice of the advisory committee, shall establish the criteria for awarding financial aid grants. Applications for grants shall be submitted on such forms and in such manner as the commissioner, with the advice of the advisory committee, shall prescribe. The commissioner shall establish policies, with the advice of the advisory committee, for the return of any portion of a financial aid grant, representing tuition of a student, which would otherwise be refundable.

Sec. 10a-22t. (Formerly Sec. 10-7u). Payment of grants by Treasurer. The Treasurer shall pay financial aid grants, approved and ordered to be paid by the commissioner with the advice of the advisory committee, from the student benefit account.

Sec. 10a-22u. (Formerly Sec. 10-14i). Establishment of private occupational school student protection account. Treatment of overpayments and underpayments. (a) There shall be an account to be known as the private occupational school student protection account within the General Fund. Each private occupational school authorized in accordance with the provisions of sections 10a-22a to 10a-22o, inclusive, shall pay to the State Treasurer an amount equal to one-half of one per cent of the tuition received by such school per calendar quarter exclusive of any refunds paid, except that correspondence and home study schools authorized in accordance with the provisions of sections 10a-22a to 10a-22o, inclusive, shall contribute to said account only for Connecticut residents enrolled in such schools. Payments shall be made by January thirtieth, April thirtieth, July thirtieth and October thirtieth in each year for tuition received during the three months next preceding the month of payment. In addition to amounts received based on tuition, the account shall also contain any amount required to be deposited into the account pursuant to sections 10a-22a to 10a-22o, inclusive. Said

account shall be used for the purposes of section 10a-22v. Any interest, income and dividends derived from the investment of the account shall be credited to the account. All direct expenses for the maintenance of the account may be charged to the account upon the order of the State Comptroller. The Commissioner of Higher Education may assess the account (1) for all direct expenses incurred in the implementation of the purposes of this section which are in excess of the normal expenditures of the Department of Higher Education for accounting, auditing and clerical services, and (2) for the fiscal years ending June 30, 2000, and June 30, 2001, in an amount not to exceed one hundred seventy thousand dollars in each of such fiscal years for personnel and administrative expenses for the purposes of sections 10a-22a to 10a-22o, inclusive, provided such amount does not exceed the annual interest accrual, which shall be transferred to the appropriation of the Department of Higher Education for personal services and other expenses for positions and responsibilities relating to said sections, provided the department has expended all federal funds that may be available for personnel and administrative expenses for the purposes of said sections. After disbursements are made pursuant to subdivisions (1) and (2) of this subsection, if the resources of the private occupational school student protection account exceed two million five hundred thousand dollars, no additional school assessments shall be made.

(b) Payments required pursuant to subsection (a) of this section shall be a condition of doing business in the state and failure to make any such payment within thirty days following the date on which it is due shall result in the loss of authorization under section 10a-22f. Such authorization shall not be issued or renewed if there exists a failure to make any such payment in excess of thirty days following the date on which it is due.

(c) If an audit conducted by the Department of Higher Education determines that a school has paid into the private occupational school student protection account an amount less than was required, the school shall pay said amount plus a penalty of ten per cent of the amount required to the State Treasurer within thirty days of receipt of notice from the commissioner or his designee of the amount of the underpayment and penalty.

(d) If an audit conducted by the Department of Higher Education determines that a school has paid into the private occupational school student protection account an amount more than was required, subsequent payment or payments by the school shall be appropriately credited until such credited payment or payments equal the amount of the overpayment.

Sec. 10a-22v. (Formerly Sec. 10-14j). Application for refund of tuition. Any student enrolled in a private occupational school authorized in accordance with the provisions of sections 10a-22a to 10a-22o, inclusive, who is unable to complete a course or unit of instruction at such school because of the insolvency or cessation of operation of the school and who has paid tuition for such course or unit of instruction, may make application to the Commissioner of Higher Education for a refund of tuition from the account established pursuant to section 10a-22u to the extent that such account exists or has reached the level necessary to pay outstanding approved claims, except that in the case of correspondence and home study schools authorized in accordance with the provisions of sections 10a-22a to 10a-22o, inclusive, only Connecticut residents enrolled in such schools may be eligible for such refund. Upon such application, the commissioner shall determine whether the applicant is unable to complete a course or unit of instruction

because of the insolvency or cessation of operation of the school to which tuition has been paid. The commissioner may summon by subpoena any person, records or documents pertinent to the making of a determination regarding insolvency or cessation of operation. For the purpose of making any tuition refund pursuant to this section, a school shall be deemed to have ceased operation whenever it has failed to complete a course or unit of instruction for which the student has paid a tuition fee and, as a result, the school's authorization has been revoked pursuant to section 10a-22f. If the commissioner finds that the applicant is entitled to a refund of tuition because of the insolvency or cessation of operation of the school, the commissioner shall determine the amount of an appropriate refund which shall be equal to or a portion of the tuition paid for the uncompleted course or unit of instruction. Thereafter the Commissioner of Higher Education shall direct the State Treasurer to pay, per order of the Comptroller, the refund to the applicant or persons, agencies or organizations indicated by the applicant who have paid tuition on the student's behalf. If the student is a minor, payment shall be made to the student's parent, parents or legal guardian. In no event shall a refund be made from the student protection account for any financial aid provided to or on behalf of any student in accordance with the provisions of Title IV, Part B of the Higher Education Act of 1965, as amended from time to time. Each recipient of a tuition refund made in accordance with the provisions of this section shall assign all rights to the state of any action against the school or its owner or owners for tuition amounts reimbursed pursuant to this section. Upon such assignment, the state may take appropriate action against the school or its owner or owners in order to reimburse the student protection account for any expenses or claims that are paid from the account and to reimburse the state for the reasonable and necessary expenses in undertaking such action. Any student who falsifies information on an application for tuition reimbursement shall lose his or her right to any refund from the account.

Sec. 10a-22w. (Formerly Sec. 10-14k). Treasurer to determine balance of account. Payments to account dependent on balance. On or before June thirtieth of each year the State Treasurer shall determine the balance of the account established pursuant to section 10a-22u. Following such determination by the State Treasurer, if the balance of the account is more than two million five hundred thousand dollars, schools which began payments to the account on or before October 1, 1987, shall cease further payments to the account until it falls below five per cent of such annual net tuition income at which time payment shall be resumed pursuant to section 10a-22u. Schools which begin payments to the account after October 1, 1987, shall continue to make payments to the account when the balance of the account is six per cent or more of such annual net tuition income for a period of time equal to the number of calendar quarters from October 1, 1987, to the date on which the account first equaled said six per cent, provided such schools shall make payments to the account pursuant to said section 10a-22u when the account falls below five per cent of such annual net tuition income.

Sec. 10a-22x. (Formerly Sec. 10-14l). Regulations. The Board of Governors of Higher Education shall adopt such regulations as are necessary to carry out the purposes of this chapter.

Sec. 10a-22y. Hospital-based occupational schools: Authorization period. Renewal fee. Annual fee. Payment into private occupational school student protection account. Notwithstanding the provisions of section 10a-22d, the authorization period for each hospital-based occupational school described in subsection (h) of section 10a-22b shall be three years. Each hospital-based occupational school shall pay a fee of two hundred dollars for renewal of its certificate of authorization. Each hospital-based occupational school shall pay an annual fee of two hundred dollars for each year after the first year of authorization that the hospital-based occupational school is authorized by the commissioner to offer occupational instruction. The renewal fee and the annual fee shall be payable to the private occupational school student protection account. Each hospital-based occupational school shall pay one-half of one per cent of its net tuition revenue received by such school per calendar quarter into the private occupational school student protection account, in accordance with section 10a-22u.

Revised 1/2011