

**OFFICE OF HIGHER EDUCATION
LEGISLATIVE PROPOSAL SYNOPSIS
2015
October 1, 2014**

Items are listed in order of descending priority:

1). An Act Making Technical Changes to Connecticut's Higher Education Statutes to Comply with United States Department of Education Regulations

In order to comply with recently-released Code of Federal Regulations §600.9, state authorization must specifically address institutions offering postsecondary career training.

2). An Act Concerning the Unexpected Closure of Private Occupational Schools in Connecticut

In the event a private occupational school fails to close in accordance with the requirements set forth in § 10a-22m, any letter of credit held by the Office of Higher Education as required with a school's initial authorization may be payable to the private occupational school student protection account. Additionally, if necessary, the executive director of the Office of Higher Education may confer a credential of completion upon students who have met the requirements of their program after the school has ceased operation.

3). An Act Making Technical Changes to the Governor's Scholarship Program

This proposal seeks to change the program name from "Governor's Scholarship Program" to "Governor's Higher Education Assistance Program", which would incorporate the Governor's Scholarship and Governor's Grant programs.

4). An Act Concerning Conditions of Authorization for a Private Occupational School

The proposal adds keeping current on financial obligations regarding rent or mortgage for the school premises as a necessary and continuing condition of authorization for private occupational schools. Additionally, the time period for a school to demonstrate compliance with an evaluation team's written report is set at thirty (30) days from the date of the report.



Agency Legislative Proposal - 2015 Session

Document Name OHE15-1-USDOECompliance

(If submitting an electronically, please label with date, agency, and title of proposal – 092611_SDE_TechRevisions)

State Agency: Office of Higher Education

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Lead agency division requesting this proposal: Academic Affairs

Agency Analyst/Drafter of Proposal: Christon Kurker-Stewart

Title of Proposal: An Act Making Technical Changes to Connecticut's Higher Education Statutes to Comply with United States Department of Education Regulations

Statutory Reference § 10a-22a(1) and § 10a-22b(h) & (i)

Proposal Summary

In order to comply with recently-released Code of Federal Regulations § 600.9, state authorization must specifically address institutions offering postsecondary career training.

Please attach a copy of fully drafted bill (required for review)

PROPOSAL BACKGROUND

- **Reason for Proposal**

Code of Federal Regulations § 600.9 sets out criteria by which the United States Department of Education will determine whether an institution is authorized by the state where it is located. Specifically, § 600.9(a)(1)(ii)(A) requires that "[An institution] By name, must be approved or licensed by the State to offer programs beyond secondary education, including programs leading to degree or certificate..."

Any school that offers training at the post-secondary career level (after high school) needs to be designated as a post-secondary career school by the state oversight agency, Office of Higher Education, in order to meet federal requirements to participate in federal financial aid. This will provide compliance with federal regulations and facilitate schools' access to federal programs without interruption.



- **Origin of Proposal** **New Proposal** **Resubmission**

Enactment of Code of Federal Regulations § 600.9

PROPOSAL IMPACT

- **Agencies Affected** (please list for each affected agency)

Agency Name:

Agency Contact (name, title, phone):

Date Contacted:

Approve of Proposal YES NO Talks Ongoing

Summary of Affected Agency's Comments

Will there need to be further negotiation? YES NO

- **Fiscal Impact** (please include the proposal section that causes the fiscal impact and the anticipated impact)

Municipal (please include any municipal mandate that can be found within legislation)

None

State

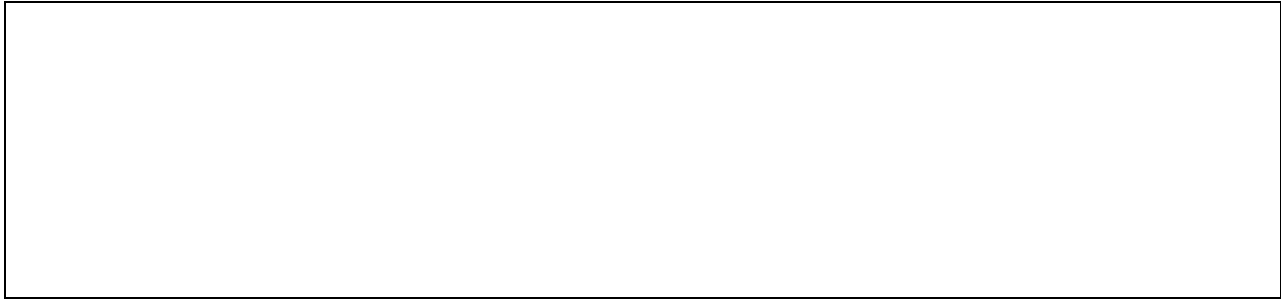
None

Federal

None

Additional notes on fiscal impact

- **Policy and Programmatic Impacts** (Please specify the proposal section associated with the impact)



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

(1) "Private occupational school is a postsecondary career school" means a person, board, association, partnership, corporation, limited liability company or other entity offering postsecondary career 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) "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 executive director, or the executive director'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

(4) "Executive director" means the executive director of the Office of Higher Education.

(5) "Postsecondary career school" means a private occupational school, hospital-based school and/or hairdresser and barber school.

- AND -

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 executive director a certificate authorizing the occupational instruction to be offered.



(b) Except for initial authorizations, the executive director 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 executive director 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 executive director, or the executive director's designee, in such manner as the executive director, or the executive director'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 executive director shall cause to be conducted an evaluation of the applicant school. Thereafter, the executive director 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 executive director 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 executive director, he shall set forth the reasons therefor in writing and the applicant school may request in writing a hearing before the executive director. Such hearing shall be held in accordance with the provisions of chapter 54.

(f) For purposes of an evaluation of an applicant school, the executive director, or the executive director's designee, shall appoint an evaluation team which shall include (1) at least two members representing the Office of Higher Education, 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 executive director 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 executive director within ten business days from the date such challenge is filed, and if the challenge is upheld the executive director shall appoint a replacement. Employees of the state or any political subdivision of the state may be members of evaluation teams. The executive director, or the executive director's designee, shall not appoint any person to an evaluation team unless the executive director, 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 executive director 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 executive director 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 [postsecondary career](#) 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 executive director 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 executive director 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 executive director's process, or by 2012, whichever is earlier.



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



Agency Legislative Proposal - 2015 Session

Document Name OHE15-2-Closure

(If submitting an electronically, please label with date, agency, and title of proposal – 092611_SDE_TechRevisions)

State Agency: Office of Higher Education

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Lead agency division requesting this proposal: Academic Affairs

Agency Analyst/Drafter of Proposal: Christon Kurker-Stewart

Title of Proposal: An Act Concerning the Unexpected Closure of Private Occupational Schools in Connecticut

Statutory Reference § 10a-22c(d) and § 10a-22m

Proposal Summary

In the event a private occupational school fails to close in accordance with the requirements set forth in § 10a-22m, any letter of credit held by the Office of Higher Education as required with a school's initial authorization may be payable to the private occupational school student protection account. Additionally, if necessary, the executive director of the Office of Higher Education may confer a credential of completion upon students who have met the requirements of their program after the school has ceased operation.

Please attach a copy of fully drafted bill (required for review)

PROPOSAL BACKGROUND

- **Reason for Proposal**

Pursuant to § 10a-22c(d), letters of credit are required from any entity seeking to open a private occupational school in Connecticut. The letter of credit is required in case a school closes and fails to teach out students or refund tuition. Currently, the section makes the letter of credit payable to the private occupational school student protection account in the event that the school fails to make its quarterly payment to the account as required or in the event the state takes action to reimburse a student for tuition at said school pursuant to § 10a-22v. If a school suddenly closes and fails to close according to statute, the state is left to help students complete their studies or refund tuition, which needs to be completed quickly and efficiently.

Since the Office of Higher Education needs to take custody of student records, facilitate and/or manage teach-outs as well as make refunds, the executive director seeks the ability to efficiently and effectively facilitate and/or manage teach-outs and confer credentials of completion so students can become gainfully employed.

There is currently no authority for the executive director to offer any remedy to these students beyond an application for a refund of tuition, which does not account for time spent or knowledge obtained. Allowing the executive director the



discretionary ability to assist such students would help to secure a meaningful result for students who, ignorant of a school's intentions, find themselves without salvageable options. Once students complete their programs as required, they may begin their careers in the workforce with limited repercussions from a school closure.

• **Origin of Proposal** **New Proposal** **Resubmission**

§ 10a-22z Butler Business School and Sawyer School certificates of completion
 This section, enacted in 2013, provided the executive director with the ability to issue certificates to students of the two schools referenced. Both schools closed suddenly and without warning to students, leaving numerous individuals near the completion of their programs without the ability to complete their studies. Through this section, the students were able to preserve their education and conclude their studies with the issuance of certificates.
 Seeking new statutory authority on case-by-case basis is not feasible, however, when a school closes outside of the legislative session. For instance, a school suddenly closed its doors in June of 2014. Many students were near the conclusion of their program, having completed all classroom time and most of their clinical hours. Lacking legislative authority, however, the Office of Higher Education could offer no assistance to these students beyond the application process for a refund of tuition.
 Note that the language of this portion of the proposal mirrors that of § 10a-22z.

PROPOSAL IMPACT

• **Agencies Affected** (please list for each affected agency)

Agency Name:
 Agency Contact (name, title, phone):
 Date Contacted:

Approve of Proposal YES NO Talks Ongoing

Summary of Affected Agency's Comments

Will there need to be further negotiation? YES NO

• **Fiscal Impact** (please include the proposal section that causes the fiscal impact and the anticipated impact)

Municipal (please include any municipal mandate that can be found within legislation)
 None

State
 None

Federal
 None



Additional notes on fiscal impact

• **Policy and Programmatic Impacts** (Please specify the proposal section associated with the impact)

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Sec. 10a-22c. (Formerly Sec. 10-7c). When certificate to operate shall not be authorized or may be denied. Requirements for issuance of certificate. Notice of decision. (a) No certificate to operate a private occupational school shall be authorized by the executive director, or the executive director'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 executive director; (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 executive director 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 executive director 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 executive director pursuant to section 10a-22d until such private occupational school seeking authorization files with the executive director 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 executive director pursuant to section 10a-22d until such private occupational school seeking authorization files with the executive director 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. In the event a private occupational school fails to close in accordance with the provisions of § 10a-22m, the letter of credit may be seized and made payable to the private occupational school student protection 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 executive director 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.

-AND-

Sec. 10a-22m. School closure. Revocation of certificate of authorization. (a) A private occupational school shall notify the executive director, 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 executive director; and (6) the certificate of authorization has been returned to the executive director.

(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 executive director 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 executive director.

(d) In the event that a private occupational school fails to meet the requirements outlined in subsection (a), and ceases operation prior to graduating all current students, the letter of credit may be seized and made payable to the private occupational school student protection account. The executive director may expend funds from the private occupational student protection account as necessary to facilitate a teach-



out of any remaining students, up to and including the issuing of a credential of completion pursuant to subsection (e) of this section.

(e) In the event of an occupational school closure that does not comply with the requirements outlined in subsection (a), the executive director is authorized to issue credentials of completion to every student who has been determined to have successfully completed such student's course or program of study at said closed school.



Agency Legislative Proposal - 2015 Session

Document Name OHE15-5 Technical Changes

(If submitting an electronically, please label with date, agency, and title of proposal – 092611_SDE_TechRevisions)

State Agency: Office of Higher Education

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Lead agency division requesting this proposal: Academic Affairs

Agency Analyst/Drafter of Proposal: Christon Kurker-Stewart

Title of Proposal: An Act Concerning Technical Changes to Higher Education Statutes

Statutory Reference §§ 10a-22b(d), (e), (f) & (g), 10a-22d(c), 10a-22g(a)

Proposal Summary

The Office of Higher Education seeks to clarify several items in the statutes regarding the approval and authorization of private occupational schools.

Please attach a copy of fully drafted bill (required for review)

PROPOSAL BACKGROUND

• Reason for Proposal

Complying with financial obligations regarding rent or mortgage is a crucial and continuing condition of authorization for private occupational schools. There is currently no statutory requirement for this, and the Office of Higher Education (“OHE”) cannot act to protect students when it receives notification that a school is facing potential loss of premises through eviction or foreclosure. Adding this criterion to §§ 10a-22b(d) and 10a-22d(c) will permit proactive steps when the OHE receives information that a school may be facing a loss of physical premises that will affect students. Further, OHE is already tasked with financial oversight of private occupational schools, and failure to remain current on rent or mortgage obligations is an effective indicator of overall school health that may not otherwise be apparent.

Pursuant to § 10a-22b, OHE staff conduct evaluation visits of private occupational schools in Connecticut for initial and renewal authorizations. These visits require a curriculum evaluator for each program offered by the school. The evaluator reviews the curriculum, library, equipment and facility to confirm that the program can effectively lead to entry level employment in the particular profession. OHE staff members are responsible for evaluating the school’s administrative infrastructure and facilitating statutory compliance. Once the application is complete, the evaluation visit is set up. This revision of timeframe to set up a visit is necessary to find highly-specialized curriculum experts. The auditors suggested OHE increase the timeframe to accommodate this.

It is very difficult to find specialized experts willing to serve as curriculum evaluators on OHE evaluation visits. The evaluators typically need to take time off from their full-time job and may not get paid by their employer. In addition, accrediting bodies offer honorariums to their evaluators. The ability to offer a small honorarium as an incentive to experts in their field who agree to serve as curriculum specialists benefits both the school being evaluated and the students of



Connecticut by promoting the universal goals of verifying the school is offering up-to-date curricula and high-quality facilities. Note curriculum experts who are state employees are not eligible.

The timeframe for a private occupational school to demonstrate compliance with a written findings report of an evaluation team pursuant to § 10a-22b(g) is revised to thirty (30) days to ensure efficient authorization of private occupational schools by OHE.

Lastly, the change to § 10a-22g(a) resolves a discrepancy between § 10a-22e(a), which states that private occupational schools must notify OHE at least sixty (60) days prior to any proposed revisions to the school's authorization, and § 10a-22g(e), which states that a private occupational school seeking to open an additional classroom site or branch school must notify OHE at least thirty (30) days prior to any proposed opening. Private occupational schools often close one branch or classroom site and open a new one simultaneously. As currently framed, the statutes create a discrepancy as to which timeframe is applicable.

- **Origin of Proposal** **New Proposal** **Resubmission**

PROPOSAL IMPACT

- **Agencies Affected** (please list for each affected agency)

Agency Name:
Agency Contact (name, title, phone):
Date Contacted:

Approve of Proposal YES NO Talks Ongoing

Summary of Affected Agency's Comments

Will there need to be further negotiation? YES NO

- **Fiscal Impact** (please include the proposal section that causes the fiscal impact and the anticipated impact)

Municipal (please include any municipal mandate that can be found within legislation)
None

State
None



Federal None
Additional notes on fiscal impact

• **Policy and Programmatic Impacts** (Please specify the proposal section associated with the impact)

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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 executive director a certificate authorizing the occupational instruction to be offered.

(b) Except for initial authorizations, the executive director 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 executive director 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 executive director, or the executive director's designee, in such manner as the executive director, or the executive director'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 and rent or mortgage payments, 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 executive director shall cause to be conducted an evaluation of the applicant school. Within sixty (60) days following the receipt of a completed initial application and within sixty (60) days of a renewal applicant's expiration of their authorization date, the executive director or a designee of the executive director shall appoint an evaluation team. Thereafter, the executive director 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 executive director 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 executive director, he shall set forth the reasons therefor in writing and the applicant school may request in writing a hearing before the executive director. Such hearing shall be held in accordance with the provisions of chapter 54.

(f) For purposes of an evaluation of an applicant school, the executive director, or the executive director's designee, shall appoint an evaluation team which shall include (1) at least two members representing the Office of Higher Education, 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 executive director 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 executive director within ten business days from the date such challenge is filed, and if the challenge is upheld the executive director shall appoint a replacement. Employees of the state or any political subdivision of the state may be members of evaluation teams. The executive director, or the executive director's designee, shall not appoint any person to an evaluation team unless the executive director, 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 executive director and shall be signed under penalty of false statement. Members of the evaluation team [shall] may 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] thirty days from the date of the report to provide evidence of compliance; and (4) submit to



the executive director 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 executive director 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 executive director 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 executive director's process, or by 2012, whichever is earlier.

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



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

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 Office of Higher Education 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 executive director or the executive director'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 executive director 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, and (4) a determination that the occupational school meets all the conditions of its recent authorization [including, at the discretion of the executive director, evidence that such school is current on its rent or mortgage obligations](#), and the filing of documentation with the executive director 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 executive director, or the executive director'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 executive director 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 Office 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 executive director 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 executive director 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 executive director 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 executive director 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-22g. (Formerly Sec. 10-7h). Additional classroom sites and branch schools. (a) A private occupational school which is authorized by the executive director 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 executive director, 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 executive director, at least **[thirty]** sixty 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 executive director 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 executive director, or the executive director'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 executive director, or the executive director'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.



Agency Legislative Proposal - 2015 Session

Document Name OHE15-3-GovScholarship

(If submitting an electronically, please label with date, agency, and title of proposal – 092611_SDE_TechRevisions)

State Agency: Office of Higher Education

Liaison: Christon Kurker-Stewart
Phone: (860) 947-1820
E-mail: ckurker-stewart@ctohe.org

Lead agency division requesting this proposal: Financial Aid

Agency Analyst/Drafter of Proposal: Mark French

Title of Proposal An Act Making a Technical Change to the Governor's Scholarship Program

Statutory Reference: § 10a-173

Proposal Summary: This proposal seeks to change the program name from "Governor's Scholarship Program" to "Governor's Higher Education Assistance Program", which would incorporate the Governor's Scholarship and Governor's Grant programs.

Please attach a copy of fully drafted bill (required for review)

PROPOSAL BACKGROUND

- **Reason for Proposal**

Currently, the Governor's Scholarship Program does not differentiate, by name, the type of award a student receives. The program makes available to students either a need-merit award or a need-based award, yet both are called the Governor's Scholarship. There is a very real difference between a merit award, a scholarship and a need only award, a grant. This modification of the name of the existing program will provide better clarification to students and schools regarding the type of award the student received from the state since students may only receive one of the two types of awards available. Students would either receive a Governor's Scholarship (need-merit based) or a Governor's Grant (need-based). Both types of award would come from the proposed Governor's Higher Education Assistance Program.

- **Origin of Proposal**

New Proposal

Resubmission



If this is a resubmission, please share:

- (1) What was the reason this proposal did not pass, or if applicable, was not included in the Administration's package?
- (2) Have there been negotiations/discussions during or after the previous legislative session to improve this proposal?
- (3) Who were the major stakeholders/advocates/legislators involved in the previous work on this legislation?
- (4) What was the last action taken during the past legislative session?

PROPOSAL IMPACT

- **Agencies Affected** (please list for each affected agency)

Agency Name:

Agency Contact (name, title, phone):

Date Contacted:

Approve of Proposal ___ YES ___ NO ___ Talks Ongoing

Summary of Affected Agency's Comments

Will there need to be further negotiation? ___ YES ___ NO

- **Fiscal Impact** (please include the proposal section that causes the fiscal impact and the anticipated impact)

Municipal (please include any municipal mandate that can be found within legislation) None

State None

Federal None

Additional notes on fiscal impact

- **Policy and Programmatic Impacts** (Please specify the proposal section associated with the impact)



Sec. 10a-173. Governor's Scholarship program. (a) For the purposes of this section:

(1) "Family contribution" means the expected family contribution for educational costs as computed from the student's Free Application for Federal Student Aid;

(2) "Full-time or part-time undergraduate student" means a student who is enrolled at an institution of higher education in a course of study leading to such student's first associate or bachelor degree and who is carrying, for a full-time student, twelve or more semester credit hours, or, for a part-time student, between six and eleven semester credit hours at such institution of higher education;

(3) "Independent institution of higher education" means a nonprofit institution established in this state (A) that has degree-granting authority in this state; (B) that has its main campus located in this state; (C) that is not included in the Connecticut system of public higher education; and (D) whose primary function is not the preparation of students for religious vocation;

(4) "Public institution of higher education" means the constituent units of the state system of higher education identified in subdivisions (1) to (4), inclusive, of section 10a-1 of the general statutes;

(5) "Eligible educational costs" means the tuition and required fees for an individual student that are published by each institution of higher education participating in the grant program established under this section, plus a fixed amount for required books and educational supplies as determined by the Office of Higher Education.

(b) The state, acting through the Office of Higher Education, shall establish the **Governor's Scholarship** [Governor's Higher Education Assistance](#) program to annually make need-based financial aid available for eligible educational costs for Connecticut residents enrolled at Connecticut's public and independent institutions of higher education as full-time or part-time undergraduate students beginning with new or transfer students in the fiscal year ending June 30, 2014. Any award made to a student in the fiscal year ending June 30, 2013, under the capitol scholarship grant program, established under section 10a-169 of the general statutes, revision of 1958, revised to January 1, 2013, the Connecticut aid to public college students grant program, established under section 10a-164a of the general statutes, revision of 1958, revised to January 1, 2013, Connecticut aid to Charter Oak, established under subsection (c) of section 10a-164a of the general statutes, revision of 1958, revised to January 1, 2013,



or the Connecticut independent college student grant program, established under section 10a-36 of the general statutes, revision of 1958, revised to January 1, 2013, shall be offered under the [\[Governor's Scholarship\] Governor's Higher Education Assistance](#) program and be renewable for the life of the original award, provided such student meets and continues to meet the need and academic standards established for purposes of the program under which such student received the original award.

(c) Within available appropriations, the [\[Governor's Scholarship\] Governor's Higher Education Assistance](#) program shall be comprised of [\[a need and merit-based grant\] the Governor's Scholarship](#), [\[a need-based grant\] the Governor's Grant](#), [\[a Charter Oak grant\]](#), and [\[a performance incentive pool\] the Governor's Performance Incentive Grant](#). The [\[need and merit-based grant\] Governor's Scholarship](#) shall be funded at not less than twenty per cent of available appropriations. The [\[need-based grant\] Governor's Grant](#) shall be funded at up to eighty per cent of available appropriations. The Charter Oak [\[grant\]](#) shall [\[be\] receive](#) not less than one hundred thousand dollars of available appropriations [as Governor's Grant](#). The [\[incentive pool\] Governor's Performance Incentive Grant](#) shall be not less than two and one-half per cent of available appropriations. There shall be an administrative allowance based on one-quarter of one per cent of the available appropriations, but not less than one hundred thousand dollars. Not less than thirty-eight per cent of the annual appropriation shall be allocated to the independent institutions of higher education for the fiscal year ending June 30, 2014, and not less than thirty-six per cent of such appropriation shall be allocated to such institutions for the fiscal year ending June 30, 2015.

(d) The Governor's Scholarship [\[need and merit-based grant\]](#) shall be available to any Connecticut resident who is a full-time or part-time undergraduate student at any public or independent institution of higher education beginning in the fiscal year ending June 30, 2014. The Office of Higher Education shall determine eligibility by financial need based on family contribution and eligibility by merit based on either previous high school academic achievement or performance on standardized academic aptitude tests. The Office of Higher Education shall make awards according to a sliding scale, annually determined by said office, up to a maximum family contribution and based on available appropriations and eligible students. The Governor's Scholarship [\[need and merit-based grant\]](#) shall be awarded in a higher amount than the [\[need-based grant\] Governor's Grant](#) awarded pursuant to subsection (e) of this section. Recipients of the [\[need and merit-based grant\] Governor's Scholarship](#) shall not be eligible to receive an additional [\[need-based\] Governor's Grant](#) award. The accepting institution of higher education shall disburse sums awarded under such grant for payment of the student's eligible educational costs.

(e) The [\[Governor's Scholarship need-based grant\] Governor's Grant](#) shall be available to any Connecticut resident who is a full-time or part-time undergraduate student at any public or independent institution of higher education beginning in the fiscal year ending June 30, 2014. The Office of Higher Education shall determine eligibility based on family contribution. The amount of the annual appropriation to be allocated to each institution of higher education shall be determined by its actual eligible enrollment based on family contribution during the fiscal year one year prior to the grant year.



Participating institutions of higher education shall make awards according to a sliding scale, annually determined by the Office of Higher Education, up to a maximum family contribution and based on available appropriations and the number of eligible students. Each participating institution of higher education shall expend all of the moneys received under the [\[Governor's Scholarship\] Governor's Grant](#) program as direct financial assistance only for eligible educational costs based on the sliding scale determined by the Office of Higher Education and the maximum award amounts set by said office.

(f) Participating institutions of higher education shall annually provide the Office of Higher Education with data and reports on all Connecticut students who applied for financial aid, including, but not limited to, students receiving [\[a Governor's Scholarship grant\] an award from the Governor's Higher Education Assistance program](#), in a form and at a time determined by said office. If an institution of higher education fails to submit information to the Office of Higher Education as directed, such institution shall be prohibited from participating in the [\[scholarship program\] Governor's Higher Education Assistance program](#) in the fiscal year following the fiscal year in which such institution failed to submit such information. Each participating institution of higher education shall maintain, for a period of not less than three years, records substantiating the reported number of Connecticut students and documentation utilized by the institution of higher education in determining eligibility of the student grant recipients. Such records shall be subject to audit. Funds not obligated by an institution of higher education shall be returned by February fifteenth in the fiscal year the grant was made to the Office of Higher Education for reallocation. Financial aid provided to Connecticut residents under this program shall be designated as [\[a grant from the Governor's Scholarship program\] a Governor's Scholarship or a Governor's Grant depending on the type of award received](#).

[\[\(g\) The Governor's Scholarship Charter Oak grant shall be available to any full-time or part-time undergraduate student enrolled in Charter Oak State College beginning in the fiscal year ending June 30, 2014. The Office of Higher Education shall allocate any appropriation to Charter Oak State College to be used to provide grants for eligible educational costs to residents of this state who demonstrate substantial financial need and who are matriculated in a degree program at Charter Oak State College. Individual awards shall not exceed a student's calculated eligible educational costs. Financial aid provided to Connecticut residents under this program shall be designated as a grant from the Governor's Scholarship program.\]](#)

[\[\(g\)\]\[\(h\)\] The \[Governor's Scholarship incentive pool\] Governor's Performance Incentive Grant shall be created to encourage retention and completion for any student who \(1\) receives the \[Governor's Scholarship need-based grant\] Governor's Grant, \(2\) returns with sufficient credits to complete such student's associate degree in two years or bachelor degree in four years, and \(3\) exceeds the minimum satisfactory academic performance standards as determined by the Office of Higher Education. Such student shall be eligible beginning in the second year of such student's need-based grant. The pool shall be distributed to participating institutions of higher education based on eligibility as determined by the Office of Higher Education.](#)



(h)(i) In administering the [\[Governor's Scholarship\] Governor's Higher Education Assistance](#) program, the Office of Higher Education shall develop and utilize fiscal procedures designed to ensure accountability of the public funds expended. Such procedures shall include provisions for compliance audits that shall be conducted by the Office of Higher Education on any institution of higher education that participates in the program. Commencing with the fiscal year ending June 30, 2015, and biennially thereafter, each such institution of higher education shall submit the results of an audit done by an independent certified public accountant for each year of participation in the program. Any institution of higher education determined by the Office of Higher Education not to be in substantial compliance with the provisions of the [\[Governor's Scholarship\] Governor's Higher Education Assistance](#) program shall be ineligible to receive funds under the program for the fiscal year following the fiscal year in which the institution of higher education was determined not to be in substantial compliance. Funding shall be restored when the Office of Higher Education determines that the institution of higher education has returned to substantial compliance.



Agency Legislative Proposal - 2015 Session

Document Name OHE15-6 Student Protection

(If submitting an electronically, please label with date, agency, and title of proposal – 092611_SDE_TechRevisions)

State Agency: Office of Higher Education

Liaison: Christon Kurker-Stewart
Phone: (860) 947-1820
E-mail: ckurker-stewart@ctohe.org

Lead agency division requesting this proposal: Academic Affairs

Agency Analyst/Drafter of Proposal: Christon Kurker-Stewart

Title of Proposal: An Act Concerning the Private Occupational School Student Protection Account

Statutory Reference: § 10a-22u

Proposal Summary

This proposal, currently under consideration, reduces the percentage of net tuition required to be paid into the Private School Student Protection Account.

Please attach a copy of fully drafted bill (required for review)

PROPOSAL BACKGROUND

- **Reason for Proposal**

The Office of Higher Education is evaluating reformation of the calculation regarding the amount of money private occupational schools must pay into the Private Occupational School Student Protection Account on a quarterly basis. Currently, the statute requires all schools to pay one half of one percent of quarterly net tuition income into the account. However, it may be feasible to reduce that amount to one quarter of one percent. An analysis is ongoing.

- **Origin of Proposal** **New Proposal** **Resubmission**

PROPOSAL IMPACT

- **Agencies Affected** (please list for each affected agency)



Agency Name: Agency Contact (name, title, phone): Date Contacted: Approve of Proposal ___ YES ___ NO ___ Talks Ongoing
Summary of Affected Agency's Comments
Will there need to be further negotiation? ___ YES ___ NO

- **Fiscal Impact** (please include the proposal section that causes the fiscal impact and the anticipated impact)

Municipal (please include any municipal mandate that can be found within legislation) None
State None
Federal None
Additional notes on fiscal impact

- **Policy and Programmatic Impacts** (Please specify the proposal section associated with the impact)

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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-[\[half\] quarter](#) 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 executive director 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 Office 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 Office of Higher Education for personal services and other expenses for positions and responsibilities relating to said sections, provided the office 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 Office 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 such 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 executive director or his designee of the amount of the underpayment and penalty.

(d) If an audit conducted by the Office 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.



Agency Legislative Proposal - 2015 Session

Document Name OHE15-4-AuthRevisions

(If submitting an electronically, please label with date, agency, and title of proposal – 092611_SDE_TechRevisions)

State Agency: Office of Higher Education

Liaison: Christon Kurker-Stewart

Phone: (860) 947-1820

E-mail: ckurker-stewart@ctohe.org

Lead agency division requesting this proposal: Academic Affairs

Agency Analyst/Drafter of Proposal: Christon Kurker-Stewart

Title of Proposal: An Act Concerning Conditions of Authorization for a Private Occupational School

Statutory Reference § 10a-22b(d) and (g)

Proposal Summary

The proposal adds keeping current on financial obligations regarding rent or mortgage for the school premises as a necessary and continuing condition of authorization for private occupational schools. Additionally, the time period for a school to demonstrate compliance with an evaluation team's written report is set at thirty (30) days from the date of the report.

Please attach a copy of fully drafted bill (required for review)

PROPOSAL BACKGROUND

- **Reason for Proposal**

Complying with financial obligations regarding rent or mortgage is a crucial and continuing condition of authorization for private occupational schools. There is currently no requirement for this, and the Office of Higher Education cannot act to protect students when it receives notification that a school is facing potential loss of premises through eviction or foreclosure. Adding this criterion will permit proactive steps when the Office receives information that a school may be facing a loss of physical premises that will affect students. Further, the Office is already tasked with financial oversight of private occupational schools, and failure to remain current on rent or mortgage obligations is an effective indicator of overall school health that may not otherwise be apparent.

The time for a private occupational school to demonstrate compliance with a written report of an evaluation team is set at thirty (30) days to ensure efficient authorization of private occupational schools by the Office of Higher Education.



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- **Origin of Proposal** **New Proposal** **Resubmission**

If this is a resubmission, please share:

- (1) *What was the reason this proposal did not pass, or if applicable, was not included in the Administration's package?*
- (2) *Have there been negotiations/discussions during or after the previous legislative session to improve this proposal?*
- (3) *Who were the major stakeholders/advocates/legislators involved in the previous work on this legislation?*
- (4) *What was the last action taken during the past legislative session?*

PROPOSAL IMPACT

- **Agencies Affected** (please list for each affected agency)

Agency Name:

Agency Contact (name, title, phone):

Date Contacted:

Approve of Proposal YES NO Talks Ongoing

Summary of Affected Agency's Comments

Will there need to be further negotiation? YES NO

- **Fiscal Impact** (please include the proposal section that causes the fiscal impact and the anticipated impact)

Municipal (please include any municipal mandate that can be found within legislation)

None

State

None

Federal

None

Additional notes on fiscal impact



- **Policy and Programmatic Impacts** (Please specify the proposal section associated with the impact)

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 executive director a certificate authorizing the occupational instruction to be offered.

(b) Except for initial authorizations, the executive director 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 executive director 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 executive director, or the executive director's designee, in such manner as the executive director, or the executive director'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 and rent or mortgage payments, 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 executive director shall cause to be conducted an evaluation of the applicant school. Thereafter, the executive director 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 executive director 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 executive director, he shall set forth the reasons therefor in writing and the applicant school may request in writing a hearing before the executive director. Such hearing shall be held in accordance with the provisions of chapter 54.

(f) For purposes of an evaluation of an applicant school, the executive director, or the executive director's designee, shall appoint an evaluation team which shall include (1) at least two members representing the Office of Higher Education, 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 executive director 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 executive director within ten business days from the date such challenge is filed, and if the challenge is upheld the executive director shall appoint a replacement. Employees of the state or any political subdivision of the state may be members of evaluation teams. The executive director, or the executive director's designee, shall not appoint any person to an evaluation team unless the executive director, 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 executive director 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]~~ thirty days from the date of the report to provide evidence of compliance; and (4) submit to the executive director 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 executive director 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 executive director 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 executive director's process, or by 2012, whichever is earlier.

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



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 Office of Higher Education 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 executive director or the executive director'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 executive director 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, and (4) a determination that the occupational school meets all the conditions of its recent authorization including, at the discretion of the executive director, evidence that such school is current on its rent or mortgage obligations, and the filing of documentation with the executive director 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 executive director, or the executive director'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 executive director 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 Office 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 executive director 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 executive director 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 executive director 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 executive director 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.