

Agency Legislative Proposal - 2017 Session

Document Name (e.g. OPM1015Budget.doc; OTG1015Policy.doc): 1111-171-OHE-POS

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

State Agency: Office of Higher Education

Liaison: Christon Kurker-Stewart

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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 Postsecondary Career Schools

Statutory Reference: 10a-22a, 10a-22b, 10a-22d, 10a-22n, 10a-22v

Proposal Summary:

This proposal makes several technical changes to the postsecondary career school statutes. First, the definition of occupational training is clarified. Second, an exemption from certain financial reporting requirements for hairdressing/barbering schools currently in law is extended to occupational schools. Third, recordkeeping requirements are clarified to take into account the digital maintenance of data. Lastly, the refund process for students of schools that close unexpectedly is brought into line with United States Department of Education policies.

PROPOSAL BACKGROUND

◇ **Reason for Proposal**

Please consider the following, if applicable:

- (1) *Have there been changes in federal/state/local laws and regulations that make this legislation necessary?*
- (2) *Has this proposal or something similar been implemented in other states? If yes, what is the outcome(s)?*
- (3) *Have certain constituencies called for this action?*
- (4) *What would happen if this was not enacted in law this session?*

This proposal adds clarifications and adjustments that, in the agency's experience, will benefit both students and schools in the postsecondary career sector. More clearly stating the definition of an occupational school creates a better understanding of what the agency does and does not regulate. Expanding the existing limited financial reporting exemption for small schools that have an annual enrollment of less than ten students saves schools money, but still provides OHE with the information necessary to conduct a proper financial analysis. Addressing the advent of digital recordkeeping by schools enables the OHE to maintain records in an efficient, organized and realistic manner, and adjusting the refund policy for students of closed schools to match that of the U.S. Dept. of Education simplifies the process for affected students, enabling them to continue their education at other schools offering similar programs.

◇ **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)*

<p>Agency Name: None.</p> <p>Agency Contact (name, title, phone): Click here to enter text.</p> <p>Date Contacted: Click here to enter text.</p> <p>Approve of Proposal <input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> Talks Ongoing</p>
<p>Summary of Affected Agency's Comments</p> <p>Click here to enter text.</p>
<p>Will there need to be further negotiation? <input type="checkbox"/> YES <input type="checkbox"/> NO</p>

◇ **FISCAL IMPACT** *(please include the proposal section that causes the fiscal impact and the anticipated impact)*

<p>Municipal <i>(please include any municipal mandate that can be found within legislation)</i></p> <p>None.</p>
<p>State</p> <p>None.</p>
<p>Federal</p> <p>None.</p>
<p>Additional notes on fiscal impact</p> <p>Click here to enter text.</p>



◇ **POLICY and PROGRAMMATIC IMPACTS** *(Please specify the proposal section associated with the impact)*

The proposal seeks to make technical changes only; no impact is anticipated.

Section 1. Section 10a-22a(1) of the general statutes is repealed, and the following is substituted in lieu thereof (*Effective July 1, 2017*):

As used in sections 10a-22a to 10a-22y, inclusive:

(1) "Private occupational school" means a postsecondary career school operated by a person, board, association, partnership, corporation, limited liability company or other entity offering [or advertising vocational](#) instruction in any form or manner in any trade, industrial, commercial, service, professional or other occupation for any remuneration, consideration, reward or **[promise]** [fee](#) of whatever nature, including, but not limited to, a hospital-based occupational school, or any program, school or entity offering postsecondary instruction in barbering or hairdressing, 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; [or \(D\) instruction offered in the arts or recreation, including the training of students to teach such subjects.](#)

Section 2. Section 10a-22b(c) of the general statutes is repealed, and the following is substituted in lieu thereof (*Effective July 1, 2017*):

(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, or, for a nonaccredited school [offering instruction in barbering or hairdressing and] annually enrolling fewer than ten students, compiled, 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.

Section 3. Section 10a-22b(i) of the general statutes is repealed, and the following is substituted in lieu thereof (*Effective July 1, 2017*):

(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] fee 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.

Section 4. Section 10a-22d(g) of the general statutes is repealed, and the following is substituted in lieu thereof (*Effective July 1, 2017*):

(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, or, for a nonaccredited school [offering instruction in barbering or hairdressing and] annually enrolling fewer than ten students, compiled, 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.

Section 5. Section 10a-22n of the general statutes is repealed, and the following is substituted in lieu thereof (*Effective July 1, 2017*):

(a) A private occupational school shall maintain, preserve and protect, in a manner approved by the executive director, or the executive director's designee, all school records including, but not limited to: (1) Student or academic transcripts; (2) attendance records or other indicators of student progress; (3) copies of individual enrollment agreements or contracts; (4) evidence of tuition payments; (5) a separate file containing a duplicate transcript for graduated students, and, for students currently enrolled, a duplicate transcript containing the student's name, address, program, length of program, grade point average, and courses completed; and ~~[(5)]~~ (6) any other documentation as prescribed by the executive director.

(b) The executive director, or the executive director's designee, may at any time during regular business or school hours, with or without notice, visit a private occupational school. During such visitation, the executive director, or the executive director's designee, may request an officer or director of the school to produce, and shall be provided with immediate access to, such records or information as are required to verify that the school continues to meet the conditions of authorization. If the executive director determines that the school's records are not preserved in accordance with this section, an administrative penalty may be assessed in accordance with Section 10a-22i.

(c) If a school ceases to operate as a private occupational school, it shall keep the executive director advised in writing as to the location and availability of student records or shall file all such records with the executive director. All transcripts described in (5) of subsection (a) of this section shall be immediately transmitted to the executive director.

(d) NEW The executive director shall maintain such records, files and all other documents associated with postsecondary career schools in a manner consistent with agency mission and responsibilities.

Section 6. Section 10a-22v of the general statutes is repealed, and the following is substituted in lieu thereof (*Effective July 1, 2017*):

Any student enrolled in a private occupational school authorized in accordance with the provisions of sections 10a-22a to 10a-22o, inclusive, who is unable to complete ~~[a]~~ an approved course or unit of instruction at such school because of the insolvency or cessation of operation of the school and who has paid tuition for such course or unit of instruction, may, within two years of the school's closure date, make application to the executive director for a refund of tuition from the account established pursuant to section 10a-22u, to the extent that such account exists or has reached the level necessary to



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



Agency Legislative Proposal - 2017 Session

Document Name (e.g. OPM1015Budget.doc; OTG1015Policy.doc): 1111-172-OHE-IHE

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

State Agency: Office of Higher Education

Liaison: Christon Kurker-Stewart

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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 Institutions of Higher Education

Statutory Reference: 10a-34e, 10a-34(f)

Proposal Summary:

This proposal gives OHE the ability to require teach-out plans from failing institutions that lack regional accreditation, as well as require proof that programs offered in fields where a license is required meet state and/or federal requirements

PROPOSAL BACKGROUND

◇ **Reason for Proposal**

Please consider the following, if applicable:

- (1) *Have there been changes in federal/state/local laws and regulations that make this legislation necessary?*
- (2) *Has this proposal or something similar been implemented in other states? If yes, what is the outcome(s)?*
- (3) *Have certain constituencies called for this action?*
- (4) *What would happen if this was not enacted in law this session?*

Requiring the implementation of an approved teach-out plan at a failing institution that lacks regional accreditation protects students by ensuring an orderly and transparent closure and providing pathways for existing students to complete their programs. Additionally, requiring institutions to provide proof that programs offered in a field where licensure is required is a common-sense tool to ensure that Connecticut students do not devote years of time and thousands of dollars to a program that will not qualify them, at its conclusion, for a necessary license to begin employment. For instance, an entity seeking to open a law school in Connecticut could meet OHE's current standards, but bypass accreditation, ultimately offering degrees that, unbeknownst to students, do not qualify them for licensure.

◇ **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: CT agencies that issue occupational licenses related to degrees

Agency Contact (name, title, phone): [Click here to enter text.](#)

Date Contacted: Discussions are being sought with affected agencies.

Approve of Proposal YES NO **Talks Ongoing**

Summary of Affected Agency's Comments

[Click here to enter text.](#)

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

[Click here to enter text.](#)



◇ **POLICY and PROGRAMMATIC IMPACTS** *(Please specify the proposal section associated with the impact)*

The proposal seeks to make minor changes only; no impact is anticipated.

Section 1. Section 10a-34e of the general statutes is repealed, and the following is substituted in lieu thereof *(Effective July 1, 2017)*:

- (a) The Office of **[Financial and Academic Affairs for]** Higher Education may conduct any necessary review, inspection or investigation regarding applications for licensure or accreditation or possible violations of this section and sections 10a-34 to 10a-34d, inclusive, or of any applicable regulations of Connecticut state agencies. In connection with any investigation, the executive director or the executive director's designee, may administer oaths, issue subpoenas, compel testimony and order the production of any record or document. If any person refuses to appear, testify or produce any record or document when so ordered, the executive director may seek relief pursuant to section 10a-34d.
- (b) NEW At the discretion of the executive director, if an institution of higher education that lacks regional accreditation exhibits financial and administrative signs tending to reasonably indicate imminent institutional failure, the executive director may require the implementation of an approved teach-out plan by the institution. Prior to such implementation, the executive director or designee and the affected institution shall jointly explore reasonable alternatives to implementing a teach-out plan to ensure current students of the affected institution are able to complete their programs without significant impact.

Section 2. Section 10a-34(f) of the general statutes is repealed, and the following is substituted in lieu thereof *(Effective July 1, 2017)*:

- (f) The executive director of the Office of Higher Education, or the executive director's designee, may require (1) that any program application in a field where a state or federal license is required to practice include evidence the program meets such licensing requirements, and (2) a focused or on-site review of any program application **[in a health-related field]** where a license in Connecticut is required to practice in such field.