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Private Occupational School Student Protection Account

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Private Occupational School Student Protection Account

(Transferred from §§ 10-14l-1—10-14l-5, July 25, 1997)

Sec. 10a-22x-1. Authority

The following regulations are promulgated under the authority established by Section 10a-22x of the general statutes.

(Effective July 31, 1984; transferred and amended July 25, 1997)

Sec. 10a-22x-2. Definitions

(a) “Commissioner” means the commissioner of higher education.

(b) “Deduction,” for the purpose of determining a school’s net income for calculating payment to the account, means the exclusion of amounts paid to a school by or on behalf of a student from the total amount received by a school for such student or on behalf of such student. Such “deduction” includes, but is not limited to:

(1) Amounts paid for expendable materials or equipment which becomes the property of the student.

(2) Amounts paid for services other than instructional services, such as nonrefundable application and registration fees which are not applied to tuition.

(3) Money refunded by a school to students who do not complete their instruction or training as provided by Section 10a-22x of the General Statutes.

Specific amounts, in addition to the above, to be excluded must be identified by the school and must receive advanced approval from the commissioner or his designee.

(c) “Direct Expenses” means all necessary expenditures incurred by the state treasurer and state comptroller for keeping records for the account, all necessary expenditures for brokerage commissions and other investment expenses for maintenance of said account, and direct expenses of the commissioner for the determination of insolvency and processing of applications for payments from said account and state department of higher education direct expenses which are in excess of its normal expenditures for accounting, auditing and clerical services required to administer and monitor the account.

(d) “Account” means the private occupational school student protection account for private occupational schools provided for in section 10-14i of the general statutes.

(e) “Insolvent” means when the aggregate of a school’s property shall not, at a fair valuation, be sufficient in amount to pay its debts, provided such debts are owing in excess of \$1,000 and it is unable to pay said debts as they mature.

(f) “Net Tuition Income” means monies paid to a school for tuition and fees less allowable deductions pursuant to subsection (b) of this section.

(g) “Parent or guardian” means the mother or father of a person under eighteen years of age or one who is legally appointed to the care and management of a person under eighteen years of age or of a person incapable of managing his or her own affairs.

(h) “Program” means occupational instruction in any trade, industrial, commercial or service occupation, which is designed to provide skills for employment in any trade, industrial, commercial or service occupation.

(i) “School” means a private occupational school.

(j) “Student” means a person who has made a tuition payment or for whom a tuition payment has been made; except, that in the case of a correspondence or home study school authorized in accordance with the provisions of Section 10-7b of the General Statutes, “Student” shall mean only a person who is a Connecticut resident enrolled in such school. If such person is under eighteen years of age or

is incapable of managing his or her own affairs, then it shall mean the parent or guardian of that person and such person.

(k) "Tuition" means money or other compensation paid or credited to a school by a student or on behalf of a student which is applied to the costs of instruction and training actually received or to be received by the student. Money or other compensation paid or credited to a school on behalf of a student includes such individual student financial aid as grants, scholarships or loans. Fees paid by or on behalf of a student to a school for instructional services or for instructional use of equipment and other instructional related materials and supplies are considered to be tuition. Tuition is limited to payments made by or on behalf of students for enrollment in programs approved by the commissioner under the authority of Section 10a-22b of the General Statutes.

(Effective August 24, 1987; transferred and amended July 25, 1997)

Sec. 10a-22x-3. Payments to the account

(a) Forms developed and provided by the commissioner shall be completed by the school and submitted with quarterly account payments. The correctness and pleteness of information provided on such form shall be attested to by the school director or person authorized to sign on his or her behalf.

(b) A school's quarterly account payments shall be the product of the total net tuition income for such quarter times one-half of one percent. A school's quarterly account payments shall be calculated on a cash basis.

(c) A school shall maintain adequate financial records evidencing all amounts paid to such school by or on behalf of each student.

(Effective August 24, 1987; transferred and amended July 25, 1997)

Sec. 10a-22x-4. Payments from the account

(a) A school shall keep records of: (1) the name and permanent address of each student; (2) the date each student began instruction at the school; (3) the enrollment agreement of each student; (4) information about each program in which the student was or is enrolled, including the name of the program, length in clock hours or credit hours, where applicable, or for home study schools, program length in lessons, tuition paid in each calendar quarter, number of clock hours or credit hours, where applicable, of instruction or where appropriate, lessons, completed by the student at the end of each calendar quarter, date of last instruction or of program completion, and (5) other such information as required by the commissioner. These records shall be kept current and on file at the school and be available for inspection by the commissioner or his designee upon request. In the event of insolvency or cessation of operation, these records shall be transferred to the commissioner within 10 days of such insolvency or cessation of operation. In the event of seizure or confiscation of records by those legally authorized, a copy of all records of students affected by the insolvency or cessation of operation shall be sent to the commissioner.

(b) A school shall inform its students of their rights under the provisions governing the account.

(c) Application for refund shall be made on forms provided by the commissioner after determination of insolvency or cessation of operation of the school.

(d) A student in applying for a refund under the provisions of these regulations, must specify any and all sources and amounts of tuition which were paid on student's behalf. The commissioner shall direct the state treasurer to pay, per order of the comptroller, pro rata refunds to the student or appropriate individuals or organizations which paid tuition on behalf of the student.

(e) A student, as a condition of accepting the refund payment, must sign such forms as prescribed by the commissioner that subrogate to the state of Connecticut all rights of action, claims and demands which the student may have against the school for tuition reimbursement to the extent of the refund the student receives from the state.

(f) If a school's insolvency or cessation of operation renders eligible a student, governmental agency or other organization, or any person for a refund, reasonable effort must be made to acquire such a refund from such school and any refund payments for tuition from any other source made to a student as a result of this insolvency or cessation of operation shall be deducted from the obligation of the account.

(Effective August 24, 1987; transferred and amended July 25, 1997)

Sec. 10a-22x-5. Hearing to determine insolvency

No school shall be declared insolvent until a hearing has been held pursuant to Sections 4-177 through 4-181, inclusive, of the General Statutes. A determination of insolvency of a school shall be a contested case.

(Effective July 31, 1984; transferred and amended July 25, 1997)