

OFFICE OF LEGISLATIVE RESEARCH
PUBLIC ACT SUMMARY



PA 21-45—sSB 998

Higher Education and Employment Advancement Committee

AN ACT CONCERNING THE RECOMMENDATIONS OF THE OFFICE OF HIGHER EDUCATION REGARDING PRIVATE OCCUPATIONAL SCHOOLS AND CLOSURE PLANS OF INSTITUTIONS OF HIGHER EDUCATION

SUMMARY: This act makes the following changes in the laws governing private occupational schools and higher education institution closure:

1. changes the threshold for when nonaccredited private occupational schools must include certain financial statements in their Office of Higher Education (OHE) filings for a certificate of authorization and their annual financial status statement (§§ 1 & 2);
2. allows OHE's executive director to revoke a private occupational school's certificate of authorization or deny its renewal if the school does not file its completed renewal application by its due date or extended due date (§§ 3 & 4);
3. requires out-of-state private occupational schools seeking to operate distance learning programs in Connecticut to follow an application process and standards established by OHE (§§ 5-7);
4. removes prior law's prohibitions and requirements affecting representatives of unauthorized private occupational schools (§ 5);
5. requires independent higher education institutions to submit a plan to OHE by January 1, 2022, describing their specific plans for responding to emergency events and managing student-related closure issues (§ 8); and
6. requires independent higher education institutions to submit to OHE written notice of permanent impending closure (§ 8).

The act also makes technical and conforming changes.

EFFECTIVE DATE: July 1, 2021

§§ 1 & 2 — NONACCREDITED PRIVATE OCCUPATIONAL SCHOOL FILINGS

By law, private occupational schools must send to OHE financial statements detailing their financial condition as part of their (1) application for a certificate of authorization and (2) annual financial status statement. The act requires nonaccredited private occupational schools to use a licensed certified public accountant or licensed public accountant to compile these statements, in accordance with American Institute of Certified Public Accountants standards, if the school receives less than \$50,000 in annual tuition revenue. Under prior law, these standards applied only if the unaccredited school annually enrolled fewer than 10 students.

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§§ 5-7 — DISTANCE LEARNING PROGRAMS OFFERED BY OUT-OF-STATE PRIVATE OCCUPATIONAL SCHOOLS

The act requires out-of-state private occupational schools seeking to operate a distance learning program in Connecticut to apply to OHE and follow its standards. The office must approve or reject each application in accordance with these standards. Under the act, a “distance learning program” is a program of study that broadcasts lectures or conducts classes online or by correspondence and does not require in-person attendance.

Under the act, OHE authorization to operate the distance learning program is valid for one year and may be renewed annually. The office must establish an application and renewal fee schedule for all approved out-of-state private occupational schools.

§ 5 — UNAUTHORIZED PRIVATE OCCUPATIONAL SCHOOLS

Additionally, the act removes prior law’s prohibition against a representative of a private occupational school that has not received state authorization from doing the following without first obtaining a permit from the OHE executive director: (1) visiting prospective students’ residences, (2) soliciting enrollments, (3) selling occupational instruction, (4) making representations, or (5) giving counsel to prospective students. It also removes the provision making any contract entered into in violation of these prohibitions unenforceable by the school.

The act also removes the requirement that representatives from these unauthorized schools located outside of Connecticut file a one-year permit application with OHE and pay a nonrefundable \$500 fee into the private occupational student protection account. This account is used to refund tuition to students who cannot complete a course at a private occupational school that became insolvent or stopped operating.

§ 8 — PRIVATE COLLEGE AND UNIVERSITY CLOSURE

The act imposes new requirements on independent higher education institutions, which are nonpublic, nonprofit degree-granting institutions whose primary purpose is not religious vocation instruction (CGS § 10a-173(a)(3)). These requirements relate to closure planning and notice.

Closure Plan Submission

The act requires each private higher education institution to submit a closure plan to OHE by January 1, 2022. The plan must address, at a minimum, the institution’s (1) planned response to a natural disaster, pandemic, data security threat, or other catastrophic event impacting operations and (2) management of student records, education continuity for enrolled students, and administration of financial aid and refunds.

The act allows regionally accredited private institutions to comply with these

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requirements by submitting the same closure plan it submitted to its accreditation agency. Additionally, these institutions must submit any closure plan updates within 30 days after the institution's governing board approves them.

Permanent Closure Notice

Under the act, any private higher education institution planning to close permanently must submit written notice to OHE within 30 days after its governing board authorizes the closure. The notice must contain at least the following information:

1. planned date of operations termination;
2. planned date and location for the student records transfer;
3. organization's name and address that will receive and maintain the student records;
4. name and contact information of the designated office or official who will manage transcript requests;
5. arrangement to facilitate a teach-out to continue enrolled students' education;
6. evidence of communication with the U.S. Department of Education about managing student refunds, state or federal grants and scholarships, and state loans; and
7. evidence of communication with the regional accreditation agency about the closure, if applicable.