

Act Number:	09-116	
Bill Number:	801	
Senate Pages:	1948-1950, 2822, 2938-2939	6
House Pages:	7228-7232	5
Committee:	Higher Ed: 16-20, 79-80, 92-93	9
	Page Total:	20

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**CONNECTICUT
GENERAL ASSEMBLY
SENATE**

**PROCEEDINGS
2009**

**VOL. 52
PART 6
1667 - 2005**

Mr. Clerk, please call the calendar.

THE CLERK:

Senate calendar for Wednesday, May 6, 2009,
calendar page 2, Favorable Reports, Calendar Number
100, File Number 18, Substitute for Senate Bill 801,
An Act Concerning the Financial Status of a School
Applying for Renewal of Authorization to Operate as a
Private Occupational School, favorable report of the
Committee on Higher Education. The Clerk is in
possession of an amendment.

THE CHAIR:

Senator Handley.

SENATOR HANDLEY:

Thank you, Mr. President. I move acceptance of
the Joint Committee's favorable report and passage of
the bill.

THE CHAIR:

Acting on approval of the bill, ma'am, would you
like to remark further?

SENATOR HANDLEY:

Yes, thank you, Mr. President. The Clerk is in
possession of an amendment, LCO 6158.

THE CHAIR:

Mr. Clerk.

ch/rgd/md
SENATE

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May 6, 2009

THE CLERK:

LCO 6158, which will be designated Senate Amendment Schedule A, is offered by Senator Handley of the 4th District.

THE CHAIR:

Senator Handley.

SENATOR HANDLEY:

Thank you, Mr. President. I move the amendment and ask to explain it.

THE CHAIR:

Please proceed.

SENATOR HANDLEY:

Thank you. This amendment is a strike all amendment and it deals with some of the authority of the Commissioner of Higher Education dealing with private occupational schools.

THE CHAIR:

Thank you, ma'am.

Will you remark further on Senate A -- Senate Amendment A? Will you remark further?

If not, let me try your minds.

All those in favor signify by saying, aye.

VOICES:

Aye.

ch/rgd/md
SENATE

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May 6, 2009

THE CHAIR:

Opposed, nay.

The ayes have it, Amendment A is adopted.

Senator Handley.

Senator Looney.

SENATOR LOONEY:

Thank you, Mr. President. Mr. President, I move that the bill as amended now be referred to the Judiciary Committee.

THE CHAIR:

Motion is on the floor to refer the bill as amended to Judiciary.

Seeing no objection, so ordered.

Mr. Clerk.

THE CLERK:

Calling Calendar Number 150, File Number 124, Substitute for Senate Bill 895, An Act Concerning Uninsured Motorist Claims and Notification of Uninsured -- Underinsured Motorist Conversion Coverage, favorable report of Committee on Insurance. The Clerk is in possession of amendments.

THE CHAIR:

Senator Crisco.

SENATOR CRISCO:

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ckd
SENATE

7
May 21, 2009

SENATOR LOONEY:

Yes. Thank you, Mr. President. Mr. President,
just remarking, just to begin again:

Calendar page 4, Calendar 353, is marked "go."

Calendar page 9, Calendar 591, House Bill 6572,
is marked "go."

Calendar page 15, Calendar 650, House Bill 6540,
is marked "passed temporarily."

Calendar page 19, Calendar 100, Senate Bill 801
-- Mr. President, might move to place that item on the
consent calendar.

THE CHAIR:

There is a motion on the floor to place the item
on the consent. Without objection, so ordered, sir.

SENATOR LOONEY:

Thank you, Mr. President.

Calendar page 20, Calendar 121, Senate Bill 897,
is marked "go."

And Calendar page 20, Calendar 149, Senate Bill
638, is marked "go."

Calendar page 24, Calendar 265, Senate Bill 375,
is marked "go."

Calendar page 24, Calendar 267, Senate Bill 383,
marked "go."

Calendar page 33, Calendar 472, Senate Bill 1157,

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SENATE

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SENATOR LOONEY:

What? Oh, yes, prior to taking the recess, Mr. President, let us have a vote on the first Consent Calendar. We do have several items, and if the Clerk might call the first Consent Calendar.

THE CHAIR:

Mr. Clerk, please call the Consent Calendar.

THE CLERK:

Mr. President, the first Consent Calendar begins on Calendar page 4, Calendar Number 353, Substitute for Senate Bill 262;

Calendar page 19, Calendar 100, Substitute for Senate Bill 801;

Calendar page 20, Calendar 121, Substitute for Senate Bill 897;

Calendar 149, Substitute for Senate Bill 638.

Mr. President, I believe that completes those items placed on the first Consent Calendar.

THE CHAIR:

Please call for a roll call vote. The machine will be opened.

THE CLERK:

The Senate is now voting by roll call on the Consent Calendar. Will all Senators please return to the chamber. The Senate is now voting by roll call on

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SENATE

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May 21, 2009

the Consent Calendar. Will all Senators please return to the chamber.

THE CHAIR:

Have all Senators voted? If all Senators have voted? If all Senators have voted? Please check your vote. The machine will be closed. The Clerk will call the tally.

THE CLERK:

Motion's on adoption, Consent Calendar Number 1.

Total Number Voting	36
Those voting Yea	36
Those voting Nay	0
Those absent and not voting	0

THE CHAIR:

The Consent Calendar Number 1 passes.

Senator Looney.

SENATOR LOONEY:

Yes, thank you, Mr. President.

Mr. President, I would move for immediate transmittal to the House of Representatives of items passed in the Senate today requiring action in that chamber.

THE CHAIR:

Motion to immediately transmit to the House.
Seeing no objection, so order, sir.

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**CONNECTICUT
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HOUSE**

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jr
HOUSE OF REPRESENTATIVES

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May 27, 2009

DEPUTY SPEAKER GODFREY:

Have all the members voted? Have all the members voted?

If all the members have voted, the machine will be locked. The Clerk will take a tally. And the Clerk will announce the tally.

THE CLERK:

Senate Bill Number 817, as amended by Senate "A" in concurrence with the Senate.

Total number voting	146
Necessary for passage	74
Those voting yea	128
Those voting nay	10
Absent not voting	5

DEPUTY SPEAKER GODFREY:

The bill is amended as passed in concurrence with the Senate.

Mr. Clerk, will you kindly call Calendar 657.

THE CLERK:

On page 24, Calendar 657, substitute for Senate Bill Number 801, AN ACT CONCERNING THE FINANCIAL OF A SCHOOL APPLYING FOR RENEWAL OF AUTHORIZATION TO OPERATE AS A PRIVATE OCCUPATIONAL SCHOOL, favorable report of the Committee on Judiciary.

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HOUSE OF REPRESENTATIVES

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DEPUTY SPEAKER GODFREY:

The Distinguished Chairwoman of the Committee on Higher Education, and as soon as we can have this aisle cleared so I can see you while unobstructed --

Would you clear the center aisle, please? Thank you.

Representative Willis.

REP. WILLIS (64th): Thank you very much, Mr. Speaker. Some people just wander down here from all other --

DEPUTY SPEAKER GODFREY:

Things happen.

REP. WILLIS (64th):

Yes.

Manufacture speaker, I move for the acceptance of Joint Committee's favorable report and passage of the bill in concurrence with the Senate.

DEPUTY SPEAKER GODFREY:

Questions on acceptance and passage in concurrence?

Will you explain the bill, please, madam?

REP. WILLIS (64th):

Thank you very much, Mr. Speaker. The Clerk has a strike-all amendment that was passed in the Senate,

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LCO 6158. I ask that he call it and I receive permission to summarize.

DEPUTY SPEAKER GODFREY:

The Clerk is in possession of LCO Number 6158, previously designated Senate Amendment Schedule "A".

Will the Clerk please call the amendment.

THE CLERK:

LCO Number 6158, Senate "A," offered by Senator Handley.

DEPUTY SPEAKER GODFREY:

The gentlewoman has asked leave of the chamber to summarize. Is there objection? Hearing none, please proceed, Representative Willis.

REP. WILLIS (64th): Thank you very much, Mr. Speaker.

This amendment protects students that are interested or planning or attending private occupational schools in Connecticut.

More and more students are looking for careers that will increase their earning capacity. Private occupational schools offer an educational option for many individuals.

This amendment offers protections for students to ensure that they are in a properly licensed

institution.

This is really a technical correction that refers to our regulations that have already been adopted. The reason for the bill is that apparently a statute must be in place that specifically refers to the regulations when fines are levied.

This was the case last year when the Department of Higher Ed. tried to administer a fine, and the attorney general informed the department that they did not -- they could not because of the lack of reference in the statute.

I move adoption, sir.

DEPUTY SPEAKER GODFREY:

Thank you, madam. Will you remark further on Senate Amendment Schedule "A"? Will you remark further on Senate Amendment Schedule "A"?

If not, let me try your minds. All those in favor signify by saying aye.

REPRESENTATIVES:

Aye.

DEPUTY SPEAKER GODFREY:

Opposed, nay.

The ayes have it. The amendment is adopted.

Will you remark on the bill as amended? Will you

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HOUSE OF REPRESENTATIVES

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May 27, 2009

remark on the bill as amended?

If not, staff and guests please come to the well of the House. Members take your seats. The machine will be open.

THE CLERK:

The House of Representatives is voting by roll call. Members to the chamber. The House is voting by roll call. Members to the chamber.

DEPUTY SPEAKER GODFREY:

Have all the members voted? Have all the members voted? If so, the machine will be locked. The Clerk will take a tally.

And the Clerk will announce the tally.

THE CLERK:

Senate Bill Number 801 as amended by Senate "A" in concurrence with the Senate.

Total number of voting	145
Necessary for passage	73
Those voting yea	145
Those voting nay	0
Absent not voting	6

DEPUTY SPEAKER GODFREY:

Bill is amended as passed in concurrence.

Mr. Clerk, kindly call Calendar 661.

**JOINT
STANDING
COMMITTEE
HEARINGS**

**HIGHER EDUCATION
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EDWARD D. KLONOSKI: If we were fortunate enough to be approved for this by you the next step, as you know, would be to get the Governor to put this particular project on the bond agenda. If all of that happened, now and intent, it would take at least a year to do the design work. So we wouldn't be back from -- in a position to ask for money for the building two years from now kind of thing. And that is everything absolutely lined up and went smoothly.

REP. WILLIS: DPW is heading this up for you? I mean they actually do the work, not the work, but you know what I'm saying?

EDWARD D. KLONOSKI: Well, actually, if I -- I was around when Charter Oak's -- this building was put together. DPW actually general contracts the project. So this would be a DPW project, is my understanding. The college would not be managing the construction of this building.

REP. WILLIS: Okay.

EDWARD D. KLONOSKI: It would be DPW.

REP. WILLIS: Well, then, you probably have a longer time line.

EDWARD D. KLONOSKI: Yeah. Don't ask me.

REP. WILLIS: Okay. Thank you.

EDWARD D. KLONOSKI: Thank you all.

REP. WILLIS: Let me see, Commissioner Meotti.

MICHAEL P. MEOTTI: Thank you, Representative Willis, Senator Handley, and all the members of the Higher Education Committee. My name is Michael Meotti. I'm the Commissioner of

SB767
SB796
SB797
SB798
SB801
SB809
SB812
HB6291
SB802

Higher Education, and I'm here to testify on a number of bills, actually ten in total. But I won't take them one by one, because actually eight of them are grouped around the activities the Department engages in, in our role of regulating private occupational schools in the State of Connecticut, and so I want to speak a little bit of background on that -- on that function and the significance of it in the state because that is really what will help you put in the specific bills and the context in terms of our experience in the last few years is why we're proposing them.

In 1993, the bill, the authority to regulate private occupational schools was moved from the State Department of Education to the Department of Higher Education, in large part because of some difficulties in previously in dealing with this industry, which actually is private occupational schools are much more like higher education institutions in one sense. They are largely served of people of 18 above in age, mostly adults, and they are tuition-paying students within the occupational school world. There is financial aid in some schools. And many, one big difference, of course, that's significant to me, the bills before us, is that the private occupational schools are, you know, for-profit businesses that train people for a wide range of things.

Some are very, very small. They train people to be dog groomers or dental hygienists or the like. Others are much, much bigger. They're large operations that train people in the culinary arts or demanding technical fields in diesel mechanics and heating, ventilating, air conditioning, and electronics, electrical systems, et cetera. Some of them are even so large that they bring in students from outside

of the state of Connecticut and not just nearby border crossing from Massachusetts, Rhode Island or New York, but actually cross many states and live in this state.

So it's a diverse and to some extent complex industry. It provides a very necessary, very valuable benefit to the people of Connecticut, in providing training programs that are -- that will help them in employment or in boosting their earning power. But it does pose a regulatory challenge for the State of Connecticut that's unlike arenas in much else of higher education or local education in that private occupational schools, as independent businesses, do financially fail, and sometimes when they fail, they fail immediately, or they shut their doors immediately with little or no notice to the students who have already paid for their courses or training at the private occupational school.

Like other entities, I guess across the country, you know, we deal with this from time to time. In 2005, we had a school close under those types of circumstances. And as you can imagine there's hundreds of Connecticut residents affected. I'm sure maybe some people here in the Legislature have heard from constituents, from either the school that closed in 2005 or another school that we're involved in since I became Commissioner in March in 2008. It's very catastrophic to the students. In many cases they put their own money on the line, or they may have borrowed or entered into some other kind of financial obligation. The school is shut down. They can't continue their training. It's traumatic. It's difficult. It disrupts their, you know, their life plans. And the department works very closely with them not only to try to make them financially whole, we

run a security fund that was established by the State Legislature many years ago to make sure that they are not out their tuition, that we get that back to them.

We also work with them to move them into other training programs that still survive, so that their attempt to, you know, improve their earnings power or employability is not derailed by the closing of the business. And, of course, we have the regular ongoing practice of, you know, when new companies come in the field or stay in the field, we assess them for financial -- the potential for financial stability, the quality of the programs, and the like.

There are about 22,000 Connecticut residents enrolled in private occupational schools right now. That number usually goes up in economic hard times. So, you know, the evidence so far we believe the number is going up in Connecticut. But based on our experience in the last few years, and I was involved most recently in closing down a school that was operating without a license, teaching people to get a commercial driver's license to drive large trucks, having a horrible rate of people with their training getting passed through the DMV tests. Generally speaking, not a very good proposition for people coming and paying a large sum to go there.

And at the same time, the proprietor in the school was -- was something we only came to learn of over time, was involved in the federal judicial system, in fact, is, I believe, currently now in a penitentiary somewhere as a result of issues not directly related to our regulatory scheme, but all of which led to, you know, for a very difficult scenario that in addition to the harm to

students of course, some of these schools are able to get funds from the State Department of Labor under the Federal Workforce Investment Act or other types of funding streams and, of course, that only further, you know, creates a public injury when a training shuts down or if the training is poor quality, or not appropriately done.

And we are in that case. I was able to pick up the phone and call the Commissioner of Labor, and we were able to shut off that funding stream immediately so no new students would be -- would come into the process on the basis of that kind of support, and we would be able to better protect the students as well as protect public dollars.

The bills in front of you have to do with various issues associated with regulating the industry and also making sure that there's resources there when there's a problem involving a required letter of credit, dealing with the interplay between the state's secure, students security fund and the federal government when there's a Title IV loan involved or financial aid involved, and a variety of things which I'd be happy to answer any questions because I think that might be more, you know, productive rather than me walking through all eight bills.

The other two bills that I wanted to talk to you about are Senate Bill 798 about An Administrative Assessment to Support the Audit Function Within the CICS Program, which supplies funds to independent, you know, private colleges in the state, to provide scholarships to Connecticut students, Connecticut resident students. You know, all of the various federal and state financial aid programs in the country, you know, are subject

seen pictures.

REP. WILLIS: Okay. Any other questions or comments from the members of the committee?

I thank you so much. We're so pleased. You obviously are someone that we should be proud of in the State of Connecticut, and we are. We'll do what we can.

CHELSEA ANDERSON: Thank you.

REP. WILLIS: Okay. Leah Campo.

No. Paul Ferisse.

PAUL FERISSE: Ferisse.

REP. WILLIS: Ferisse, I'm sorry. I butchered that.

PAUL FERISSE: That's quite all right. That was very close, actually.

Good afternoon Representative Willis and members of the committee. My name is Paul Ferisse. I'm here today in my role as President of the Association of Connecticut Career Schools to speak in support of the eight bills that Commissioner Meotti had proposed earlier today in response to governance of private occupational schools from the Department of Higher Education. Specifically the Association of Connecticut Career Schools supports Bill 766, 767, 796, 797, 801, 809, 812 and 6291.

No, I did not submit written testimony. Absolutely. I will send it after. Great. Okay.

REP. WILLIS: Especially when there's, you know, a

number of bills --

PAUL FERISSE: Right.

REP. WILLIS: -- it's sometimes hard to remember what's in each of those bills without having some --

PAUL FERISSE: I think the important thing of my testimony today is that the membership of the Association of Connecticut Career Schools is in full support of Commissioner Meotti's recommendations and, specifically, Bill 766 An Act Concerning Letters of Credit. There was a question earlier during Michael P. Meotti's testimony. We believe that it's appropriate at this time to increase the amount of the letter of credit based on increases in inflation and overall tuition rates since the last increase, and we believe the dollar amount of \$40,000 is appropriate.

Act 767 an Act Concerning the Exclusion of Title IV Financial Aid for Eligibility for Refunds from Student Protection Accounts. We believe that this Act would actually help to solidify the Student Protection Account and protect its financial integrity so that funds are available in those rare instances where an occupational school may close and students need to access that account for refunds.

And finally, Act 812, An Act -- or House Bill 812, an Act Concerning Fees Assessed to Private Occupational Schools. Though no one likes to see their fees go up, we feel that the request for these increased fees are reasonable and appropriate in these difficult economic times. So we are in support of that as well.

But, again, we're in support of every measure



STATE OF CONNECTICUT
DEPARTMENT OF HIGHER EDUCATION

**Testimony by the Connecticut Department of Higher Education
Before the Higher Education and Employment Advancement Committee
11:00 a.m. – LOB Room 1E
February 10, 2009**

SB 766 (Raised) An Act Concerning Letters of Credit Filed by Private Occupational Schools

The Bill increases the Letter of Credit from \$20,000 to \$40,000 and increases the period of time the Department has access to the funds from eight (8) years to twelve (12) years. It further safeguards students who are enrolled in a newly approved school, in case that school closes without warning and the State must refund tuition. It also provides a very small buffer against refunds from the private occupational school student protection account, when a school does not have a demonstrated history of payment to the student protection account. It helps to reduce exposure to the student protection account.

The Bill also requires a new school to obtain their Letter of Credit from a financial institution located in the State of Connecticut, which ensures and facilitates timely access in securing these funds. Department conferred with Banking Commission and they support this bill.

SB 767 (Raised) An Act Concerning the Exclusion of Title IV Financial Aid from Eligibility for Refunds from the Student Protection Accounts

The language in this bill would require the federal government provide the same loan forgiveness to students in Connecticut as it would to students in any state where no student protection account coverage exists. The bill would protect the student protection account from exposure and liability of any Title IV school closure. Students who attend Nationally Accredited Private Occupational Schools in Connecticut are eligible for Federal Loans and Grants through Title IV Federal Financial Aid. When a school closes, the U.S. Department of Education historically has granted loan forgiveness of any Title IV student loans and waived the repayment of any Title IV grants awarded. The U.S. Department of Education modified its Loan Discharge Application, to require that an applicant identify whether a claim for tuition recovery may be filed with any third party. A "third party" is defined as any entity that may provide tuition reimbursement for a refund owed by the school, such as a (state) tuition recovery program. Without this language, the student protection account could be totally depleted with the closure of one medium size Title IV school.

SB 796
SB 797
SB 801
SB 809
SB 812
HB 6291
SB 798

* Note: The Student Protection Account is only one account so the "s" needs to be deleted from the title.

SB 796 (Raised) An Act Concerning In-State Directors of Private Occupational Schools

The Bill requires any private occupational school to have the administrative oversight of a campus director at Connecticut school's main campus and each Connecticut branch campus. As schools expand, there is a tendency to limit on-site administrative oversight, or to provide it from out-of-state or off-site, which impacts the student's quality of education.

***Note:** Language needs to be added in Section 10a-22b(c) (10) 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 operation.

The added language in this section address's what is required of a school in submitting an application.

SB 797 (Raised) An Act Concerning a Private Occupational School's Right to Appeal

The Bill streamlines a school's appeal process making the Commissioner's action final and any appeal is through the Court system. When an occupational school fails to close according to Statute, is fiscally insolvent or acts in a manner that negatively impacts students, we have found that the current process is lengthy and costly, both to the State and the students we protect. In addition, it does not allow for a reasonable time frame to take needed action on serious violations. The school will retain their right to challenge the Commissioner's decision through the Connecticut Superior Court system.

SB 801 (Raised) An Act Concerning the Financial Status of a School Applying for Authorization to Operate as a Private Occupational School

The Bill adopts the same methodology to determine fiscal stability as used by the U.S. Department of Education, a standard which is identifiable and easily understood. A passing financial ratio is calculated using the same methodology as stated in 34 CFR 668. As this CFR may be amended from time to time, this bill would follow that methodology as it evolves without the need for Connecticut legislative language changes over time.

***Note:** The location (Section 1. Section 10a-22c When a certificate to operate shall not be authorized) of this language is incorrect as no new applicant school can be in compliance with a passing financial ratio based upon a financial forecast.

This language needs to be relocated to under Section 1. Section 10a-22d(c). Authorization: Conditions for renewal, fees, probation, extension (5) a passing financial ratio calculated using the same methodology used by the U. S. Department of Education as stated in 34 CFR 668 determining financial stability.