



House of Representatives

File No. 823

General Assembly

January Session, 2025

(Reprint of File No. 249)

House Bill No. 7098
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
May 5, 2025

AN ACT CONCERNING TUITION REFUNDS FOR FORMER STONE ACADEMY STUDENTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 67 of public act 23-204 is repealed and the following
2 is substituted in lieu thereof (*Effective from passage*):

3 (a) The Office of Higher Education shall pay from the private career
4 school student protection account a stipend to each person who (1)
5 graduated from the practical nurse education program at Stone
6 Academy, also known as Career Training Specialists, LLC, during the
7 period commencing November 1, 2021, and ending February 28, 2023,
8 (2) has taken or passed the examination for licensure as a licensed
9 practical nurse, and (3) meets any requirements established by the
10 executive director of the Office of Higher Education. The amount that
11 may be paid by the office pursuant to this subsection shall be
12 determined by the executive director, but shall not exceed one hundred
13 fifty thousand dollars in the aggregate.

14 (b) The Office of Higher Education shall pay from the private career
15 school student protection account a refund of tuition, pursuant to the
16 process established under section 10a-22v of the general statutes, to each
17 applicant who (1) was enrolled in, but did not graduate from, the
18 practical nurse education program at Stone Academy, also known as
19 Career Training Specialists, LLC, during the period commencing
20 November 1, 2021, and ending February 28, 2023, [and] (2) completed a
21 course or unit of instruction at Stone Academy that [was not in
22 compliance with applicable statutes and regulations concerning such
23 course or unit of instruction] has not been accepted at another practical
24 nurse education program as transfer credits, (3) has not previously
25 received a refund of such tuition, and (4) has not participated in a (A)
26 teach-out, as defined in section 10a-22m of the general statutes, or (B)
27 proctored comprehensive predictor examination administered on or
28 after the effective date of this section by an institution identified by the
29 Office of Higher Education. If the executive director of the Office of
30 Higher Education finds that the applicant is entitled to a refund of
31 tuition pursuant to this subsection, the executive director shall
32 determine the amount of an appropriate refund which shall not exceed
33 the tuition paid for such course or unit of instruction. Any applicant
34 who receives a refund of tuition pursuant to this subsection shall not be
35 eligible to participate in a teach-out or a proctored comprehensive
36 predictor examination administered by an institution identified by the
37 Office of Higher Education. Such refund of tuition shall be paid in the
38 manner and subject to the terms specified in section 10a-22v of the
39 general statutes, except such applicant may apply for such refund of
40 tuition on or before June 30, 2026. As used in this subsection, "proctored
41 comprehensive predictor examination" is an examination that assesses
42 a nursing student's readiness to pass the National Council Licensure
43 Examination for Practical Nurses.

44 (c) The state may take appropriate action, including, but not limited
45 to, an action in Superior Court, against said private career school or its
46 owner or owners to reimburse the private career school student
47 protection account for the stipends, refunds and administrative costs

48 that are paid from the account pursuant to this section and to reimburse
49 the state for the reasonable and necessary expenses in undertaking such
50 action. The state shall reimburse the private career school student
51 protection account up to an amount equal to such stipends, refunds and
52 administrative costs from any funds it collects through such action.
53 Nothing in this section shall be construed to limit any right or remedy
54 available to the state arising from the operations of said private career
55 school.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>from passage</i>	PA 23-204, Sec. 67
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The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Higher Ed., Off.	Private Career School Student Protection Account – Cost	Up to 610,000	Up to 610,000

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill results in a one-time cost of up to \$610,000 across FY 26 and FY 27 to the Private Career School Student Protection Account administered by the Office of Higher Education.¹

The bill expands the number of former Stone Academy students who may receive a tuition refund from the account. However, it also specifies that a former student of Stone Academy who receives a tuition refund from the account cannot participate in a teach-out or proctored comprehensive predictor exam.

It is anticipated that approximately 300 former students would be eligible for a refund as a result of the bill's eligibility expansion. Providing a refund to these students has an estimated one-time cost of \$610,000. The fiscal year in which the cost is incurred will vary based on when students apply for, and receive, a refund. Applications may be

¹ The Private Career School Student Protection Account is a non-lapsing account funded by fees paid by private career schools. The current balance is approximately \$2.6 million.

received in FY 25 through FY 26.

The cost is potentially, minimally reduced to the extent that fewer former Stone Academy students seek tuition refunds as a result of the provision preventing students from participating in a teach-out or completing an assessment exam if they receive such refunds. Savings resulting from this provision will vary based on the total number of students that do not seek a refund, and the total amount of tuition they paid.

House "A" potentially minimally reduces the cost of the bill by adding post-refund restrictions that may result in fewer refund applicants. It specifies that a former student of Stone Academy who receives a tuition refund from the account cannot participate in a teach-out or proctored comprehensive predictor exam.

The Out Years

The bill has no out years impact. Stone Academy former students are required by the bill to apply for a refund by the end of FY 26.

OLR Bill Analysis**HB 7098 (as amended by House "A")******AN ACT CONCERNING TUITION REFUNDS FOR FORMER STONE ACADEMY STUDENTS.*****SUMMARY**

This bill establishes new eligibility criteria for former Stone Academy students to receive tuition refunds from the private career school student protection account. It makes these students eligible if they were enrolled in, but did not graduate from, Stone Academy's practical nurse education program between November 1, 2021, and February 28, 2023, and did not:

1. receive credit for a Stone Academy course or unit at another practical nurse education program;
2. receive a tuition refund from this account already;
3. participate in a teach-out (instruction that completes a course or program after a private school closes); or
4. after the bill's effective date, take a proctored comprehensive predictor examination given by an Office of Higher Education (OHE)-identified institution (this exam assesses a student's readiness for the National Council Licensure Examination for Practical Nurses).

The bill allows these students to apply for a tuition refund until June 30, 2026. A student who receives a tuition refund under the bill is not eligible to participate in a teach-out or proctored comprehensive predictor examination.

Previously, students who were enrolled in Stone Academy's practical

nurse program but did not graduate during this same time period were eligible for tuition refunds if they completed a course or unit that did not comply with legal requirements. Students eligible under these criteria had two years after Stone Academy closed to apply for tuition reimbursement and this application period recently expired.

*House Amendment "A" adds the provision making students who receive tuition refunds under the bill ineligible to participate in teach-outs or proctored comprehensive predictor examinations.

EFFECTIVE DATE: Upon passage

BACKGROUND

Private Career School Student Protection Account

This General Fund account is generally used to refund tuition to students unable to complete a course at a private career school because the school became insolvent or ceased operation. It is funded by quarterly assessments on private career schools and certain other fees (CGS § 10a-22u).

By law, OHE may also use up to \$150,000 from the fund to pay stipends to former Stone Academy students (PA 23-204, § 67).

Application for Private Career School Tuition Refund

When a private career school becomes insolvent or closes abruptly, preventing a student from finishing a course or unit of instruction, state law allows the student to apply to OHE for a tuition refund. OHE reviews the applications and determines the validity of the student's claim and the amount of the refund.

Tuition refunds are financed by the private career school student protection account. The student or any person or organization who paid tuition on the student's behalf receives a refund from the state to the extent the account has the necessary funds (CGS § 10a-22v).

COMMITTEE ACTION

Higher Education and Employment Advancement Committee

Joint Favorable

Yea 18 Nay 0 (03/11/2025)