

OFFICE OF FISCAL ANALYSIS

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HB-7098

AN ACT CONCERNING TUITION REFUNDS FOR FORMER STONE
ACADEMY STUDENTS.

As Amended by House "A" (LCO 7632)

House Calendar No.: 177

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.

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.

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 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.