



New England Private Career School Association

Fact Sheet

An Act Establishing a Student Tuition Recovery Fund

S164 - Sponsor: Senator Jason Lewis (Democrat - Fifth Middlesex)

H3807 – Sponsor: Representative Jennifer Benson (Democrat - 37th Middlesex)

Summary: This measure would establish a student tuition recovery fund in Massachusetts. If passed, S164 and H3807 and would:

- Require that private career schools make an initial payment of \$2,500 into the fund;
- Pay 0.25 percent of the school's gross tuition and fees received by the school during the prior year in the second year; and
- Pay an amount determined by the attorney general not to exceed 0.5 percent of a school's gross tuition and fees received by the school during the prior year.

NEPCSA Position:

The members of the New England Private Career School Association (NEPCSA) oppose S164 and H3807 and for the following reasons:

- Pre-paid student tuition is already protected, as private career schools are required to purchase a surety bond that can be used to protect unearned tuition.
- Once the Fund reaches \$5,000,000, an assessment may not be made. The problem with this provision is that the attorney general can decide that schools must pay additional amounts into the Fund even after it reaches \$5,000,000.
- There is no guarantee that the Legislature will not raid the Fund and move the money collected from private career schools into the General Fund.
- Most schools allow students to make periodic payments. In addition, the majority of schools also accept financial aid, state aid, or employer reimbursement. Schools quite often have to wait for these funds and frequently receive the money only after the student has graduated.

- Admittedly there are some very rare cases wherein a school collects funds up front and then closes before the student can benefit from training.
- However, even in these very extraordinary instances, the funds collected in advance would not necessitate the need for a Student Tuition Recovery Fund. At any given point in time schools would have only collected a portion of total tuition.
- Paying \$2,500 up front, then 0.25 percent of the school's gross tuition and fees is exorbitant. For most schools it would be difficult, if not impossible.
- The Fund would add unnecessary expenses to schools, which are already paying fees to the Division of Professional Development (DPL) that have tripled over the last several years.
- In the last ten years, some 60% of the state's career schools have been forced to close because of the unreasonable regulatory burden imposed. The Tuition Recovery Fund will force additional schools to close.
- Moreover, schools with expansion plans would scrap development because operating in Massachusetts would become even more cost prohibitive, thus hurting the potential for job growth and an enhanced tax revenue stream for the Commonwealth.

What is NEPCSA?

The New England Private Career School Association (NEPCSA) represents private career schools within the New England region. NEPCSA members are postsecondary schools that provide career-specific educational programs that contribute to the region's workforce development by providing employees with market specific skills in high demand fields. NEPCSA member schools bridge the skills gap because they connect highly trained graduates with businesses in need of qualified employees.

Private Career school students can complete training programs in a short period of time. The programs are affordable, lead to rewarding careers and offer a valuable alternative to the financial burden imposed by two and four-year colleges.

Contact NEPCSA

New England Private Career School Association (NEPCSA)

11 Robert Toner Blvd., # 234

North Attleboro, MA 02763

Phone: 508-695-3919

Fax: 508-232-6005

www.nepcsa.org

Catherine Flaherty, CAE, Executive Director

catherine@nepcsa.org