

One Hundred Fifth Legislature - First Session - 2017

Introducer's Statement of Intent

LB123

Chairperson: Senator Mike Groene

Committee: Education

Date of Hearing: January 24, 2017

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB123 establishes the Guaranty Recovery Cash Fund, which allows students who suffer financial harm due to the closure or termination of a for-profit postsecondary educational institution to make a claim against the fund for a refund of lost tuition and fees.

To fund the Guaranty Recovery Cash Fund, the Coordinating Commission on Postsecondary Education will assess each for profit postsecondary institution one-tenth of one percent of the prior school year's gross tuition revenue until the Guaranty Recovery Cash Fund reaches the minimum fund level of \$250,000.

LB123 also allows the Coordinating Commission on Postsecondary Education to require a surety bond to provide protections to students until the Guaranty Recovery Cash fund reaches its minimum level.

Additionally, LB123 requires student records to be maintained and transferred when a school ceases operation, which will allow students to access their records.

Finally, LB123 requires for-profit postsecondary institutions to reimburse the Nebraska Opportunity Grant Fund for academic terms not completed by students receiving awards under the fund when the institution terminates operations.

Principal Introducer: _____

Senator Patty Pansing Brooks