



Nonpublic Postsecondary Education Commission

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Brian P. Kemp
Governor

Dr. Kirk Shook
Executive Director

DATE: January 15, 2026

TO: Governor Brian Kemp and Members of the Georgia General Assembly

FROM: Nonpublic Postsecondary Education Commission Tuition Guaranty Trust Fund Board of Trustees

RE: Biennial Tuition Guaranty Trust Fund Report

O.C.G.A. § 20-3-250.27 created the Tuition Guaranty Trust Fund (TGTF), which is designed to provide a teach-out or refund to eligible students at institutions that close and fail to honor commitments to complete the students' programs of study. The TGTF serves as an insurance pool of funds available for students of closed institutions. The Nonpublic Postsecondary Education Commission (NPEC) adopted a fee structure based upon one-tenth of one percent of the institutions' annual gross tuition receipts, which is applied to all authorized institutions for the first seven years of authorization. Beginning in July 1992, authorized institutions began to make annual payments to the TGTF for five years; however, on July 1, 2022, the number of years of payments required was increased to seven years.

The TGTF is governed by a Board of Trustees, elected by the NPEC Board of Commissioners, all of whom are appointed by the Governor. In accordance with *O.C.G.A. § 20-3-250.27(h)*, the TGTF Board of Trustees is required to issue a biennial report to the Governor and members of the General Assembly, providing a summary of the financial condition of the fund and claims experienced during the preceding biennium. In FY24 and FY25, there were 25 claims made on the TGTF:

| Fiscal Year | Number of Refunds of Tuition | Amount of Refunds of Tuition | Number of Teach-outs Funded | Amount of Teach-outs Funded |
|--------------------|-------------------------------------|-------------------------------------|------------------------------------|------------------------------------|
| FY24 | 1 | \$3,950 | 0 | \$0 |
| FY25 | 20 | \$193,307 | 4 | \$7,730 |
| Total | 21 | \$197,257 | 4 | \$7,730 |

Note: "Teach-outs" are the costs associated with the completion of a course of study at another institution following the closure of an institution. "Refunds of Tuition" is the amount of reimbursement paid to students should they be unable or unwilling to complete their programs elsewhere following a precipitous closure or refunds of credits lost upon transfer to another institution from the closed institution. These refunds may also include fees and other expenses as deemed appropriate pursuant to *O.C.G.A. § 20-3-250.27(g)*.

The following chart reflects the activities of the TGTF over the past six years and the financial strength of the fund.

TUITION GUARANTY TRUST FUND ANNUAL REPORT

| | | FY 20 | FY21 | FY22 | FY23 | FY24 | FY25 |
|-------------------------------------|-----------|------------------|------------------|------------------|------------------|------------------|------------------|
| Beginning Fund Balance | \$ | 3,819,170 | 4,343,342 | 4,241,360 | 4,467,187 | 4,773,718 | 5,454,995 |
| <u>Receipts to Fund</u> | | | | | | | |
| Fees from Institutions | | 159,841 | 166,558 | 234,312 | 158,363 | 193,387 | 150,407 |
| Bond Proceeds | | 400,000* | - | - | - | 250,000^ | - |
| Total Interest Earned | | 39,625 | 2,511 | 8,560 | 158,550 | 255,397 | 249,269 |
| Total Receipts | | 599,466 | 169,070 | 242,872 | 316,913 | 698,784 | 399,676 |
| <u>Payments from Fund</u> | | | | | | | |
| Administrative Expense | | (5,149) | (3,716) | (2,996) | (4,519) | (5,662) | (18,098) |
| <u>Institution Closing Expenses</u> | | | | | | | |
| Storage of Records | | (9,406) | (14,007) | (14,049) | (5,864) | (7,895) | (5,864) |
| Teach-out of Students | | (609) | (0) | (0) | (0) | (0) | (7,730) |
| Refunds of Tuition | | (60,130) | (253,329) | (0) | (0) | (3,950) | (193,307) |
| Total Payments | | (75,294) | (271,052) | (17,045) | (10,382) | (17,507) | (226,681) |
| Ending Fund Balance | \$ | 4,343,342 | 4,241,360 | 4,467,187 | 4,773,718 | 5,454,995 | 5,627,990 |

*These one-time bond proceeds were from the closure of two Argosy campuses in the state in March 2019. These proceeds were only received after threatened litigation to the surety. Bond payments were received in April 2020. Disbursements to students after a claim period occurred in FY21, and only after the TGTF was indemnified pursuant to O.C.G.A. § 20-3-250.10(a).

^These one-time bond proceeds were from the closure of two Art Institute campuses, one in Atlanta and one in Miami. Art Institute of Atlanta was exempt from authorization pursuant to O.C.G.A. § 20-3-250.3(a)(14) while the Miami campus (Miami International University of Art and Design) was authorized by the agency. Disbursements to students after a claim period occurred in FY25. The TGTF was indemnified pursuant to O.C.G.A. § 20-3-250.10(a).

Respectfully submitted,

NPEC TGTF Board of Trustees
The Honorable P.K. Martin, Chairman
Mr. Jim Squire, Vice Chairman
Dr. Kirk Shook, Executive Director & Secretary
Dr. Linda Adkison
Dr. Donald Dowless
Mr. Pranay Udutha