



STATE OF CONNECTICUT
Office of Financial and Academic Affairs
For Higher Education

Testimony
by
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before the
Higher Education and Employment Advancement Committee
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Thank you for the opportunity to submit testimony for House Bill 5221 – An Act Concerning Changes to Program Approval for Colleges and Universities. Let me begin with a brief overview of the recent history of the program approval process, and then discuss the importance of consumer protection in higher education.

Last year, this legislature deliberated the consolidation of higher education and made an affirmative decision by making sure that program approval was “front and center” for both our public and independent institutions. At the end of their deliberation, the legislature determined that although our new process is slightly different from years past, all types of institutions – the University of Connecticut, the Connecticut State University, the community colleges as well as all of our private and out-of-state institutions – still must go to the Advisory Committee on Accreditation for quality review.

Having said that, we have all-- the legislative branch, the executive branch and institutions themselves -- discussed this new and slightly different process since the reorganization’s passage.

I have had discussions with many, many people and believe there is certainly a time and place to talk about the process. I do, however, feel very strongly, as I believe do most of the above mentioned, that these discussions needed to be conducted deliberatively and very carefully.

House Bill No. 5221 (Raised), An Act Concerning Changes to Program Approval for Colleges and Universities seeks to remove the State of Connecticut’s quality assurance over nonprofit

independent institutions of higher education which have been in existence for 20 years in Connecticut. It seeks to do so by removing the authority of the State Board of Education to license new and revised programs offered by these schools. In my view, such a move would result in disastrous consequences to students, businesses and taxpayers.

Connecticut's current authority has been in place for more than 50 years – and for good reason. This form of consumer protection has protected our citizens and students from abuses that steadily capture news headlines in other states -- more so now than ever. Students and businesses rely upon Connecticut's authority to ensure that the programs being offered by schools will prepare them for postsecondary employment. Historically, Connecticut has enjoyed a reputation as a leader in higher education and that is due, in large measure, to the high standards required by our current approval process. Passage of this bill would jeopardize that reputation with the acceptance of potentially mediocre programs that would leave our students unprepared for future employment, and jeopardize the value of their degrees.

Comparing program approval policies among states is not useful unless one takes into account the extraordinary differences among states' higher education systems across the country. For instance, the size of the private sector varies dramatically from state to state. States with high enrollment in private colleges such as Connecticut -- with 37% of enrollment in private institutions -- tend to engage in strong regulatory scrutiny of their private sector. It stands to reason that those states with just a fraction of Connecticut's share of private enrollment (some in the low single digits) would have less – if any – regulatory authority. It is also important to stress that there are many, many, variations of states' regulatory powers. And many states have fees associated with reduced regulation.

A state's interest in consumer protection usually increases with the level of activity and risk associated with the industry at issue. More than 20,000 Connecticut residents attend the private institutions whose programs are currently approved by the State. These students and their families pay

nearly \$600 million each year in tuition and fees. The percentage of Connecticut residents at these schools ranges from 99 percent to 29 percent with an average instate enrollment of 45 percent.

Connecticut's program licensure authority is the only type of consumer protection that exists to assure students, parents, employers and taxpayers of the rigor and validity of programs offered by our colleges. We review applications for new programs to make sure their faculty, resources and quality are up to the level of standards that our families, businesses and society expect from degree-granting institutions.

Without some form of regulation, Connecticut students would face at least three risks:

- 1) the risk of diploma mills entering our state – those entities that essentially sell a degree with little or no work required,
- 2) the risk of training or continuing education programs masquerading as college degree-granting programs – which command a higher price for supposed higher value, and
- 3) the risk of runaway marketing in which general education programs are sold as specific career preparation programs without meeting state occupational licensing requirements.

At this time, Connecticut has a regulatory framework to minimize these risks. But, as you well know from your own constituents, students and parents often voice concerns about mid-program changes to course offerings and grade requirements, as well as what they perceive to be unfair campus policies and practices. Such cases are routinely referred to our agency, as the regulating agency, for further investigation and action – an approach that would be lost with the passage of this bill.

At one time, states might have been able to rely on non-profit status as a proxy for quality of higher education institutions. If that were ever a sufficient or constitutionally permissible reason for exempting non-profits, it certainly no longer applies today. The national higher education scene is rife with for-profit colleges taking control over non-profit colleges to secure some form of added recognition (such as regional accreditation) held by the non-profit institution.

This trend reached New England two years ago where a national for-profit higher education corporation took control over the non-profit Daniel Webster College which is accredited by the New

England Association of Schools and Colleges (NEASC). As reported by the highly-respected Bloomberg news service, “By exploiting loopholes in government regulation (emphasis added) and an accreditation system that wasn’t designed to evaluate for-profit takeovers, they’re [for-profit higher education companies] acquiring struggling nonprofit and religious colleges – and their coveted accreditation. Typically, the goal is to transform the schools in to online behemoths at taxpayer expense.”

Some might argue that an institution’s good reputation renders regulation unnecessary. Indeed, Connecticut is fortunate to have, in general, a strong private college sector that’s due, most likely, to a combination of the region’s deep roots in higher education and our good regulatory approach.

State regulation doesn’t come into play only in industries where most entities are up to no good. I think we would agree that most regulated organizations and businesses in Connecticut are law-abiding corporate citizens which provide quality goods and services to state residents. This doesn’t call for deregulation; rather, it calls for a regulatory approach that protects the public while not unreasonably burdening the regulated entities.

Since July 1, 2012 when our office began oversight of only the independent and out-of-state colleges, we have significantly shortened the time period for review to around three months for licensing and accrediting new programs: far less than the six to nine months required previously. I would again stress this alone should be a factor taken into careful consideration. This process should be examined in reflection of the current structure, not on historic anecdotal information.

The applications requiring more time tend to involve significant institutional change such as opening a new professional school (i.e., pharmacy, engineering or medical fields) or adding a baccalaureate degree at an institution that had only offered associates degrees in the past.

Our licensing review includes the active engagement of our Advisory Committee on Accreditation (ACA), which is a quality review, advising us on all new program licensure applications in both the public and private sector. ACA members include faculty, provosts, campus presidents and

other leaders – with five representatives each from the public and private higher education sectors and two from business and industry.

We believe that our office maintains a valuable and reasonable program approval approach that is consistent with the goals of the elected leadership of our state and the expectations of our citizens: to protect the interests of students and residents of Connecticut without unduly burdening our colleges as they respond to student and state needs; and we stand ready to continue conversation and review.

