



House of Representatives

General Assembly

File No. 249

February Session, 2014

House Bill No. 5361

House of Representatives, April 1, 2014

The Committee on Higher Education and Employment Advancement reported through REP. WILLIS of the 64th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING A STATE AUTHORIZATION RECIPROCITY AGREEMENT REGARDING DISTANCE LEARNING PROGRAMS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2014*) (a) The Office of Higher
2 Education may enter into a multi-state or regional reciprocity
3 agreement for the purpose of participation in a nation-wide state
4 authorization reciprocity agreement that establishes uniform standards
5 for distance learning programs across states and eliminates the need
6 for a state participating in such nation-wide state authorization
7 reciprocity agreement to assess the quality of a distance learning
8 program offered by an out-of-state institution of higher education
9 through such participating state's traditional authorization, licensing
10 and accreditation process.

11 (b) An institution of higher education, as defined in section 10a-55 of
12 the general statutes, may enter into any reciprocity agreement
13 authorized under subsection (a) of this section to which this state is a

14 party.

15 (c) For purposes of administering a reciprocity agreement
16 authorized under subsection (a) of this section, the Office of Higher
17 Education shall: (1) Maintain a list of each institution of higher
18 education, seminary and religious training institution that has been
19 duly authorized to offer a distance learning program in this state; and
20 (2) receive, investigate and process any complaints against any such
21 institution of higher education, seminary or religious training
22 institution that offers such a program in this state regarding the
23 administration of such distance learning program.

24 Sec. 2. Section 10a-34 of the 2014 supplement to the general statutes
25 is repealed and the following is substituted in lieu thereof (*Effective July*
26 *1, 2014*):

27 (a) For the purposes of this section, (1) "program of higher learning"
28 means any course of instruction for which it is stated or implied that
29 college or university-level credit may be given or may be received by
30 transfer; (2) "degree" means any letters or words, diploma, certificate
31 or other symbol or document which signifies satisfactory completion
32 of the requirements of a program of higher learning; (3) "institution of
33 higher education" means any person, school, board, association,
34 limited liability company or corporation [which] that has a physical
35 presence in this state and is licensed or accredited to offer one or more
36 programs of higher learning leading to one or more degrees; (4)
37 "license" means the authorization by the Office of Higher Education to
38 operate a program of higher learning or institution of higher education
39 for a specified initial period; (5) "accreditation" means the
40 authorization by said office to continue operating a program of higher
41 learning or institution of higher education for subsequent periods, and
42 in such periods to confer specified degrees; (6) "program modification"
43 means (A) a change in a program of higher learning that does not
44 clearly qualify as a new program of higher learning or a
45 nonsubstantive change, including, but not limited to, a new program
46 of higher learning consisting primarily of course work for a previously

47 approved program of higher learning, (B) an approved program of
48 higher learning to be offered at an off-campus location, (C) a change in
49 the title of a degree, or (D) a change in the title of a program of higher
50 learning; [and] (7) "nonsubstantive change" means (A) a new
51 undergraduate certificate program, within an existing program of
52 higher learning, of not more than thirty semester credit hours that falls
53 under an approved program of higher learning, (B) a new
54 baccalaureate minor of not more than eighteen semester credit hours,
55 (C) a new undergraduate option or certificate program of not more
56 than fifteen semester credit hours, or (D) a new graduate option or
57 certificate program of not more than twelve semester credit hours; and
58 (8) "physical presence" means a physical location in this state where an
59 institution of higher education provides real-time instruction to
60 students or establishes an office in this state in order to (A) provide
61 information to prospective students, enrolling students or the general
62 public about such instruction; (B) provide services to enrolled
63 students; (C) provide office space for its instructional or
64 noninstructional staff; and (D) maintain an institutional mailing
65 address, street address or telephone number in this state.

66 (b) The Office of Higher Education shall establish regulations, in
67 accordance with chapter 54, concerning the requirements for licensure
68 and accreditation, such regulations to concern administration, finance,
69 faculty, curricula, library, student admission and graduation, plant and
70 equipment, records, catalogs, program announcements and any other
71 criteria pertinent thereto, as well as the periods for which licensure and
72 accreditation may be granted, and the costs and procedures of
73 evaluations as provided in subsections (c), (d) and (i) of this section.
74 Said office shall establish academic review commissions to hear each
75 appeal of a denial by said office of an application by an institution of
76 higher education for licensure or accreditation of a program of higher
77 learning or institution of higher education. For each individual appeal,
78 the executive director of said office, or the executive director's
79 designee, shall select a commission that is comprised of four higher
80 education representatives and five business and industry
81 representatives chosen from a panel of thirty-five members, who shall

82 be appointed as follows: (1) The Governor shall appoint five members;
83 (2) the speaker of the House of Representatives shall appoint five
84 members; (3) the president pro tempore of the Senate shall appoint five
85 members; (4) the majority leader of the House of Representatives shall
86 appoint five members; (5) the majority leader of the Senate shall
87 appoint five members; (6) the minority leader of the House of
88 Representatives shall appoint five members; and (7) the minority
89 leader of the Senate shall appoint five members. The executive director
90 of said office, or the executive director's designee, shall ensure that
91 each commission contains at least one member appointed by each of
92 the appointing authorities. Each appointing authority shall select both
93 higher education representatives and business and industry
94 representatives, but not more than three from either category of
95 representatives.

96 (c) No person, school, board, association or corporation with a
97 physical presence in this state shall confer any degree unless
98 authorized by act of the General Assembly. No application for
99 authority to confer any such degree shall be approved by the General
100 Assembly or any committee thereof, nor shall any such authority be
101 included in any charter of incorporation until such application has
102 been evaluated and approved by the Office of Higher Education in
103 accordance with regulations established by the Office of Higher
104 Education.

105 (d) The Office of Higher Education shall review all requests and
106 applications for program modifications, nonsubstantive changes,
107 licensure and accreditation. The office shall review each application in
108 consideration of the academic standards set forth in the regulations for
109 licensure and accreditation adopted by said office in accordance with
110 the provisions of subsection (b) of this section. Notwithstanding the
111 provisions of section 10a-34e, any application that is determined by the
112 office to be for (1) a program modification that meets all such academic
113 standards, (2) a nonsubstantive change, (3) licensure, or (4)
114 accreditation shall be deemed approved, and the office shall notify the
115 institution of such approval, not later than forty-five days from the

116 date the office receives such application without requiring any further
117 action from the applicant.

118 (e) If the executive director of the Office of Higher Education, or the
119 executive director's designee, determines that further review of an
120 application is needed due at least in part to the applicant offering
121 instruction in a new program of higher learning or new degree level,
122 then the executive director or the executive director's designee shall
123 conduct a focused or on-site review. Such applicant shall have an
124 opportunity to state any objection regarding any individual selected to
125 review an application on behalf of the executive director. For purposes
126 of this subsection, "focused review" means a review by an out-of-state
127 curriculum expert; and "on-site review" means a full team evaluation
128 by the office at the institution of higher education.

129 (f) The executive director of the Office of Higher Education, or the
130 executive director's designee, may require a focused or on-site review
131 of any program application in a health-related field where a license in
132 Connecticut is required to practice in such field.

133 (g) Any application for licensure of a new institution in this state
134 shall be subject to an on-site review upon a determination by the Office
135 of Higher Education that the application is complete and shall be
136 reviewed at the institutional level for each program as described in
137 subsection (b) of this section. Such process shall be completed not later
138 than nine months from the date said office receives the application.

139 (h) If the Office of Higher Education denies an application for
140 licensure or accreditation of a program or institution of higher
141 education, the applicant may appeal the denial not later than ten days
142 from the date of denial. The academic review commission shall review
143 the appeal and make a decision on such appeal not later than thirty
144 days from the date the applicant submits the appeal to said office.

145 (i) No person, school, board, association or corporation with a
146 physical presence in this state shall operate a program of higher
147 learning or an institution of higher education unless it has been

148 licensed or accredited by the Office of Higher Education, nor shall it
 149 confer any degree unless it has been accredited in accordance with this
 150 section. The office shall accept regional accreditation, in satisfaction of
 151 the requirements of this subsection unless the office finds cause not to
 152 rely upon such accreditation. If any institution of higher education
 153 provides evidence of programmatic accreditation, the office may
 154 consider such accreditation in satisfaction of the requirements of this
 155 subsection and deem the program at issue in the application for
 156 accreditation to be accredited in accordance with this section. National
 157 accreditation for Connecticut institutions of higher education
 158 accredited prior to July 1, 2013, shall be accepted as being in
 159 satisfaction of the requirements of this subsection unless the office
 160 finds cause not to rely on such national accreditation.

161 (j) No person, school, board, association or corporation with a
 162 physical presence in this state shall use in any way the term "junior
 163 college" or "college" or "university" or use any other name, title,
 164 literature, catalogs, pamphlets or descriptive matter tending to
 165 designate that it is an institution of higher education, or that it may
 166 grant academic or professional degrees, unless the institution
 167 possesses a license from, or has been accredited by, the office, nor shall
 168 it offer any program of higher learning without approval of the Office
 169 of Higher Education.

170 (k) Accreditation of any program or institution or authority to
 171 award degrees granted in accordance with law prior to July 1, 1965,
 172 shall continue in effect.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2014	New section
Sec. 2	July 1, 2014	10a-34

HED *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 15 \$	FY 16 \$
Board of Regents for Higher Education	GF - Savings	30,000	30,000
State Comptroller - Fringe Benefits ¹	GF - Cost	84,444	84,444
Higher Ed., Off.	GF - Cost	280,346	250,346

Municipal Impact: None

Explanation

The bill allows the Office of Higher Education (OHE) to (1) enter into a multi-state or regional reciprocity agreement concerning the licensure of distance learning programs and (2) allows public and independent institutions to join the agreement once OHE enters into it.

Additionally, the bill impacts institutions with a physical presence in Connecticut. Under current law, a person, school board, association, or corporation must be licensed or accredited by the Office of Higher Education (OHE) in order to (1) operate a program of higher learning or higher education institution or (2) use the terms "junior college," "college," "university," or similar terms that identify it as a higher education institution. The bill specifies that these above requirements apply only to such entities with a physical presence in Connecticut.

The bill is anticipated to result in a cost of \$364,790 in FY 15 and \$334,790 in FY 16 and a corresponding savings of \$30,000 in both years.

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 36.66% of payroll in FY 15 and FY 16.

It is estimated that there are approximately 7,000 institutions of higher learning in the United States which could potentially enter the state through the nationwide reciprocity agreement.²

It is anticipated that by requiring OHE to develop, implement and manage a system to oversee reciprocity agreements concerning the licensure of distance learning programs, OHE would require three additional full-time staff, and one part-time staff for a total of \$230,346, plus corresponding fringe benefits of \$84,444. The three full-time staff would include: (1) a Senior Associate with an annual salary of \$70,824, (2) two Senior Consultants with an annual salary of \$61,811 and (3) a part-time IT Support Senior Consultant with an annual salary of \$35,900. Additionally, OHE would require \$50,000 in operating expenses, of which, \$20,000 would be an annual expense, associated with computers, telephones, and other various training and staffing needs.

Finally, the bill results in a savings to the Board of Regents for Higher Education of \$30,000 as Charter Oak State College would no longer be required to pay fees for the licensure of their programs in other states.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

² National Center for Education Statistics

OLR Bill Analysis**HB 5361*****AN ACT CONCERNING A STATE AUTHORIZATION RECIPROCITY AGREEMENT REGARDING DISTANCE LEARNING PROGRAMS.*****SUMMARY:**

Under current law, a person, school board, association, or corporation must be licensed or accredited by the Office of Higher Education (OHE) in order to (1) operate a program of higher learning or higher education institution or (2) use the terms “junior college,” “college,” “university,” or similar terms that identify it as a higher education institution. It must be accredited by OHE in order to confer degrees. This bill specifies that these requirements apply only to such entities with a physical presence in Connecticut. It makes a similar change to an obsolete provision requiring entities to be authorized by the legislature to confer degrees.

The bill also allows (1) OHE to enter into a multi-state or regional reciprocity agreement concerning the licensure of distance learning programs and (2) public and independent institutions to join the agreement once OHE enters into it.

EFFECTIVE DATE: July 1, 2014

PHYSICAL PRESENCE

The bill specifies that Connecticut’s laws and regulations concerning the licensure and accreditation of higher education institutions apply only to institutions with a physical presence in Connecticut. Under the bill, a “physical presence” is a physical location where a higher education institution provides real-time instruction to students or establishes an office in Connecticut to (1) provide information to prospective students, enrolling students, or the general public; (2) provide services to enrolled students; (3) provide office space for

instructional or noninstructional staff; and (4) maintain an institutional address or telephone number in the state.

RECIPROCITY AGREEMENT

The bill allows OHE to enter into a multi-state or regional reciprocity agreement for the purpose of participating in a national reciprocity agreement. The national agreement must (1) establish uniform standards for distance learning programs across states and (2) eliminate the need for a participating state to assess the quality of a distance learning program offered by an out-of-state higher education institution. (Presumably, the participating state would accept the authorization that such an institution obtains from its home state.) The bill also allows any public or independent higher education institution to join any such reciprocity agreement to which the state is a party.

The bill requires OHE, in order to administer a reciprocity agreement, to (1) maintain a list of each higher education institution, seminary, and religious training institution duly authorized to offer a distance learning program in Connecticut and (2) receive, investigate, and process any complaints against these entities concerning the administration of their distance learning programs. It is unclear whether “duly authorized” refers to those entities authorized by OHE or those entities authorized under a reciprocity agreement.

Presumably, institutions without a physical presence in Connecticut would be subject to the requirements in the reciprocity agreement described above. However, it is unclear what licensing and accreditation requirements would apply to (1) any out-of-state institution before OHE enters the reciprocity agreement or (2) an institution from a state that is not party to the reciprocity agreement.

COMMITTEE ACTION

Higher Education and Employment Advancement Committee

Joint Favorable

Yea 18 Nay 0 (03/13/2014)