



STATE OF CONNECTICUT
Office of Higher Education

Testimony
by
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before the
Higher Education & Employment Advancement Committee
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Good afternoon Senator Bartolomeo, Representative Willis, and distinguished members of the Committee. I come before you today to discuss the Governor's Implementer Bill No. 6845 for the 2016-17 budget for the Office of Higher Education, and changes to the Governor's Scholarship and the private occupational school student protection account.

Our regulatory oversight of the 140 post-secondary career schools includes approximately 56 private occupational schools, seven hospital based schools and 78 hairdresser/barber schools. As you know, our role is consumer protection for students who enroll in these schools. Currently all schools pay one-half (1/2) of 1% or .5% of their net tuition revenues into the private occupational school student protection account. The Governor's budget changes that percentage to four-tenths (4/10) of 1% or .4% of their net tuition revenues.

We support this reduction as it establishes a level playing field for all schools paying into the fund. Previously, there was a two-tiered system of payments based on whether a school was approved before or after October 1, 1987, but with the recent addition of our Office's oversight (2013) of the hairdresser and barber schools, there is double the number of schools paying into the fund. The increase in payments offsets the increased exposure for school closures and allows for a reduced amount paid by a school. In addition, the bill removes the current cap on the fund which ensures future school closures can be adequately managed.

Further, to reflect our current practice and institutional agreements, we would like to make a small technical change. We have been advised, and agree, that the use of the word “audits” in line 221 of the bill is incorrect (“Such procedures shall include provisions for compliance *audits* that shall be conducted...”). Instead, replacement with the word “reviews” will more accurately reflect the exact language in our institutional agreements.

Thank you.