



# House of Representatives

General Assembly

**File No. 9**

February Session, 2016

House Bill No. 5071

*House of Representatives, March 9, 2016*

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

***AN ACT REQUIRING CONNECTICUT TO PARTICIPATE IN THE 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, 2016*) Not later than January 1,  
2 2017, the Office of Higher Education shall enter into a multistate or  
3 regional reciprocity agreement for purposes of enabling the state and  
4 Connecticut institutions of higher education to participate in a nation-  
5 wide state authorization reciprocity agreement (1) establishing  
6 uniform standards for distance learning programs across states, and (2)  
7 eliminating the need for a state participating in the state authorization  
8 reciprocity agreement to assess the quality of a distance learning  
9 program offered by an out-of-state institution of higher education  
10 through the participating state's authorization, licensing and  
11 accreditation process. Notwithstanding the provisions of part III of  
12 chapter 185 of the general statutes and upon the Office of Higher  
13 Education entering into the multistate or regional reciprocity

14 agreement, an out-of-state institution of higher education that  
15 participates in the state authorization reciprocity agreement may  
16 operate a distance learning program in the state in accordance with the  
17 uniform standards.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2016	New section

**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:**

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 17 \$</b>	<b>FY 18 \$</b>
Higher Ed., Off.	GF - Cost	298,025	268,025
Board of Regents for Higher Education	GF - Savings	40,000	40,000
State Comptroller - Fringe Benefits <sup>1</sup>	GF - Cost	99,061	99,061

Note: GF=General Fund

**Municipal Impact:** None

**Explanation**

The bill will result in a FY 17 cost of \$298,025 to the Office of Higher Education (OHE). Annual OHE costs are expected to be \$248,025 for Personal Services and \$20,000 for Other Expenses. One-time start-up costs of \$30,000 are estimated in FY 17 for computers, software, and office equipment.

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. New staff would include: one Senior Associate with an annual salary of \$72,948, and two Senior Consultants each with an annual salary of \$63,665, and one part-time position, an IT Support Senior Consultant with an annual salary of \$47,747, for a total of \$248,025 plus corresponding fringe benefits of \$99,061.

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<sup>1</sup>The 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 39.94% of payroll in FY 17 and FY 18.

Additionally, the bill results in a savings to the Board of Regents for Higher Education of \$40,000 as Charter Oak State College would no longer be required to pay fees for the licensure of their programs in other states.

The bill requires OHE to enter into a multistate or regional reciprocity agreement in order to allow the state and Connecticut higher education institutions to participate in a nation-wide state authorization reciprocity agreement. The agreement must (1) establish uniform standards for distance learning programs across states and (2) eliminate the need for participating states to assess the quality of a distance learning program offered by an out-of-state institution. The oversight for Connecticut includes 31 independent institutions and 18 public institutions, as well as those institutions that fail to be part of the reciprocity agreement in their state. 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.

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation, except for the one-time costs identified above. Additionally, a minimal savings would accrue to any constituent unit of higher education which chose to offer on-line courses in the future.

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**OLR Bill Analysis****HB 5071*****AN ACT REQUIRING CONNECTICUT TO PARTICIPATE IN THE STATE AUTHORIZATION RECIPROCITY AGREEMENT REGARDING DISTANCE LEARNING PROGRAMS.*****SUMMARY:**

This bill requires the Office of Higher Education (OHE), by January 1, 2017, to enter into a multistate or regional reciprocity agreement to allow Connecticut and its higher education institutions to participate in a nationwide state authorization reciprocity agreement on distance learning programs. The agreement must (1) establish uniform standards across states and (2) eliminate the need for participating states to assess the quality of a program offered by an out-of-state institution. (Presumably, the participating state would accept the authorization that an institution obtains from its home state.)

By law, a person, school board, association, or corporation must be licensed by OHE to operate a program of higher learning or higher education institution in Connecticut (CGS § 10a-34 et seq.). The bill allows out-of-state institutions that participate in the reciprocity agreement to operate a distance learning program in Connecticut, without licensure from OHE, in accordance with the agreement's uniform standards. They may do so upon OHE entering into the agreement.

EFFECTIVE DATE: July 1, 2016

**COMMITTEE ACTION**

Higher Education and Employment Advancement Committee

Joint Favorable

Yea 13 Nay 1 (02/25/2016)