



Senate

General Assembly

File No. 220

February Session, 2018

Substitute Senate Bill No. 352

Senate, April 4, 2018

The Committee on Higher Education and Employment Advancement reported through SEN. BYE of the 5th Dist. and SEN. LINARES of the 33rd Dist., Chairpersons of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT EXTENDING THE MORATORIUM ON APPROVAL OF PROGRAMS OF INDEPENDENT INSTITUTIONS OF HIGHER EDUCATION.

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

1 Section 1. Subsection (l) of section 10a-34 of the 2018 supplement to
2 the general statutes is repealed and the following is substituted in lieu
3 thereof (*Effective July 1, 2018*):

4 (l) Notwithstanding the provisions of subsections (b) to (j),
5 inclusive, of this section and subject to the authority of the State Board
6 of Education to regulate teacher education programs, [new programs
7 of higher learning and program modifications proposed by an
8 independent institution of higher education, as defined in section 10a-
9 173, shall not be subject to approval by the Office of Higher Education,
10 until July 1, 2018,] for the period beginning July 1, 2018, and ending on
11 June 30, 2020, an independent institution of higher education, as

12 defined in section 10a-173, shall submit an application to the Office of
13 Higher Education for any new program of higher learning or program
14 modification. Such application shall be deemed approved by the office,
15 provided (1) the institution maintains eligibility to participate in
16 financial aid programs governed by Title IV, Part B of the Higher
17 Education Act of 1965, as amended from time to time, (2) the United
18 States Department of Education has not determined that the institution
19 has a financial responsibility score that is less than 1.5 for the most
20 recent fiscal year for which the data necessary for determining the
21 score is available, and (3) the institution has been located in the state
22 and accredited as a degree-granting institution in good standing for
23 ten years or more by a regional accrediting association recognized by
24 the Secretary of the United States Department of Education and
25 maintains such accreditation status. [All institutions that are exempt
26 from program approval by the Office of Higher Education] Any
27 institution that has an application deemed approved under this
28 subsection shall file with [said] the office not later than [July first, and
29 annually thereafter,] July 1, 2019, or July 1, 2020, as the case may be,
30 (A) a list and brief description of any new programs of higher learning
31 introduced by the institution in the preceding academic year and any
32 existing programs of higher learning discontinued by the institution in
33 the preceding academic year, (B) the institution's current program
34 approval process, and (C) the institution's financial responsibility
35 composite score, as determined by the United States Department of
36 Education, for the most recent fiscal year for which the data necessary
37 for determining the score is available.

38 Sec. 2. (*Effective July 1, 2018*) Not later than January 1, 2020, the
39 Office of Higher Education shall develop recommendations for
40 performance-based standards that may be used to qualify independent
41 institutions of higher education for exemption from the requirement
42 that any new programs of higher learning or program modifications
43 proposed by such institutions be approved by the office, pursuant to
44 section 10a-34 of the general statutes, as amended by this act. The
45 performance-based standards may include, but need not be limited to,
46 (1) student graduation rates of the institution, (2) student loan default

47 rates of students enrolled at the institution, (3) rates of employment of
48 graduates of the institution, or (4) any other performance-based
49 measures that the office deems necessary. The Office of Higher
50 Education shall submit a report containing such recommendations, in
51 accordance with the provisions of section 11-4a of the general statutes,
52 to the joint standing committee of the General Assembly having
53 cognizance of matters relating to higher education.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2018</i>	10a-34(l)
Sec. 2	<i>July 1, 2018</i>	New section

HED *Joint Favorable Subst.*

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:*** None***Municipal Impact:*** None***Explanation***

The bill does not result in a fiscal impact as it extends the date for certain nonprofit, independent higher education institutions regarding the current exemption from the Office of Higher Education's (OHE's) approval process for new programs and program modifications, by an additional two years.

The Out Years***State Impact:*** None***Municipal Impact:*** None

OLR Bill Analysis**sSB 352*****AN ACT EXTENDING THE MORATORIUM ON APPROVAL OF PROGRAMS OF INDEPENDENT INSTITUTIONS OF HIGHER EDUCATION.*****SUMMARY**

This bill extends, for certain nonprofit, independent higher education institutions, the current exemption from the Office of Higher Education's (OHE's) approval process for new programs and program modifications by an additional two years through June 30, 2020. Current law exempts, from July 1, 2016 through June 30, 2018, those that (1) are eligible to participate in the Federal Family Education Loan program; (2) do not have a financial responsibility score of less than 1.5, as determined by the U.S. Department of Education, for the most recent fiscal year for which data is available; and (3) have been located in Connecticut and accredited as degree-granting institutions in good standing for at least 10 years by a federally recognized regional accrediting association (see BACKGROUND).

In addition to extending the exemption period, the bill adds new filing requirements for eligible institutions. It also requires OHE to report to the Higher Education and Employment Advancement Committee by January 1, 2020, with recommendations for performance-based standards to use to qualify eligible institutions for this exemption.

EFFECTIVE DATE: July 1, 2018

PROGRAM FILING REQUIREMENTS

The bill requires eligible institutions to submit an application to OHE for any new degree program or program modification during the extended approval exemption period, which OHE must approve, if the

institution meets the financial aid, responsibility score, and good standing requirements. Additionally, any institution whose application is approved must file with OHE by either July 1, 2019, or July 1, 2020, depending on the timing of the approval, (1) a list and brief description of new programs introduced and existing programs discontinued in the preceding academic year; (2) a description of the institution's current program approval process; and (3) the institution's financial responsibility composite score, as determined by the U.S. Department of Education, for the most recent fiscal year for which data is available. Current law requires these filings on an annual basis.

PERFORMANCE-BASED STANDARDS

The bill allows OHE to include the following in its recommendation report on performance-based standards to use when determining institutional eligibility for the program approval exemption: (1) student graduation rates, (2) student loan default rates of enrolled students, (3) graduate employment rates, or (4) any other performance-based measures OHE deems necessary.

BACKGROUND

Program Approval

By law, non-exempt, independent higher education institutions seeking to offer a new academic program must receive approval from OHE. A public higher education institution must have its new academic programs approved by the institution's governing board (i.e., the UConn Board of Trustees or the Board of Regents for Higher Education).

Composite Score

According to the U.S. Department of Education, the composite score reflects the overall relative financial health of institutions along a scale from -1 to 3. A score of 1.5 or more indicates that the institution is considered financially responsible.

Institutions Currently Exempt

In practice, Connecticut College, Trinity College, Wesleyan

University, and Yale University are already exempt from OHE's program approval authority. These institutions, classified by OHE as national independents, are longstanding institutions that predate the state's regulation of postsecondary academic programs. Additionally, the institutions' charters give the schools the authority to decide which degrees to confer and do not require state approval for additional degrees.

COMMITTEE ACTION

Higher Education and Employment Advancement Committee

Joint Favorable Substitute

Yea 19 Nay 1 (03/15/2018)