



House of Representatives

General Assembly

File No. 204

January Session, 2019

House Bill No. 7253

House of Representatives, March 28, 2019

The Committee on Higher Education and Employment Advancement reported through REP. HADDAD of the 54th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

***AN ACT CONCERNING DISTANCE LEARNING PROGRAMS
OPERATED BY INSTITUTIONS OF HIGHER EDUCATION OUTSIDE OF
THE STATE.***

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

1 Section 1. Section 10a-57f of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective January 1, 2020*):

3 (a) Not later than January 1, 2017, the Office of Higher Education
4 shall enter into a multistate or regional reciprocity agreement for
5 purposes of enabling the state and Connecticut institutions of higher
6 education to participate in a nation-wide state authorization
7 reciprocity agreement (1) establishing uniform standards for distance
8 learning programs across states, and (2) eliminating the need for a state
9 participating in the state authorization reciprocity agreement to assess
10 the quality of a distance learning program offered by an out-of-state
11 institution of higher education through the participating state's
12 authorization, licensing and accreditation process. Notwithstanding

13 the provisions of part III of this chapter and upon the Office of Higher
14 Education entering into the multistate or regional reciprocity
15 agreement, an out-of-state institution of higher education that
16 participates in the state authorization reciprocity agreement may
17 operate a distance learning program in the state in accordance with the
18 uniform standards.

19 (b) Any Connecticut institution of higher education that seeks to
20 participate in the nation-wide state authorization reciprocity
21 agreement under subsection (a) of this section shall submit an
22 application with the Office of Higher Education on a form prescribed
23 by the office. The office shall approve or reject the institution's
24 application in accordance with the terms of such agreement.
25 Authorization by the office to participate in such agreement shall be
26 valid for a period of one year and may be renewed by the office for
27 additional one-year periods. The office shall establish a schedule of
28 application and renewal fees for all Connecticut institutions of higher
29 education that participate in such agreement. The fee schedule shall be
30 graduated based on the number of full-time equivalent students at
31 each Connecticut institution of higher education.

32 (c) Any out-of-state institution of higher education that does not
33 participate in the nation-wide, state authorization reciprocity
34 agreement and seeks to operate a distance learning program in the
35 state shall submit an application to the Office of Higher Education on a
36 form prescribed by the office. Each institution shall agree to abide by
37 standards, similar to those in the nation-wide, state authorization
38 reciprocity agreement and established by the office. The office shall
39 approve or reject the institution's application in accordance with the
40 standards established by the office. Authorization by the office to
41 operate a distance learning program in the state shall be valid for a
42 period of one year and may be renewed by the office for additional
43 one-year periods. The office shall establish a schedule of application
44 and renewal fees for all out-of-state institutions of higher education
45 that do not participate in the nation-wide, state authorization
46 reciprocity agreement and are approved by the office. The fee schedule

47 shall be graduated based on the number of full-time equivalent
48 students enrolled at each out-of-state institution of higher education.

49 [(c)] (d) Nothing in subsection (a) of this section shall be construed
50 to affect the authority of the Attorney General to enforce the provisions
51 of chapter 735a or Title X of the Dodd-Frank Wall Street Reform and
52 Consumer Protection Act, P.L. 111-203, as amended from time to time.

This act shall take effect as follows and shall amend the following sections:		
Section 1	January 1, 2020	10a-57f

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 20 \$	FY 21 \$
Higher Ed., Off.	GF - Revenue Gain	Potential Minimal	Potential Minimal

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill, which could result in a potential revenue gain, requires out-of-state higher education institutions that do not participate in the State Authorization Reciprocity Agreement (SARA) to apply for authorization from the Office of Higher Education (OHE) to operate a distance learning program in the state. The revenue gain would be dependent on the number of institutions applying for authorization and the fee for authorization, which will be set by OHE. The revenue gain is anticipated to be minimal as it is estimated that there are less than 50 higher education institutions nation-wide not participating in SARA that would be required to seek authorization from OHE.

The Out Years

The annualized ongoing revenue gain identified above would continue into the future subject to the number of higher education institutions seeking authorization and the fees established by OHE.

OLR Bill Analysis**HB 7253*****AN ACT CONCERNING DISTANCE LEARNING PROGRAMS OPERATED BY INSTITUTIONS OF HIGHER EDUCATION OUTSIDE OF THE STATE.*****SUMMARY**

The State Authorization Reciprocity Agreement (SARA) is a voluntary agreement between its member states and U.S. territories, including Connecticut, which establishes comparable national standards for higher education institutions to postsecondary distance-education courses and programs out of state. Under existing law, an out-of-state institution that participates in SARA must comply with the agreement's standards in order to offer a distance learning program in Connecticut. Under this bill, out-of-state higher education institutions that do not participate in SARA must apply for authorization from OHE to operate distance learning programs in Connecticut. (Current law does not specify any standards or requirements for such institutions to offer these programs in the state.)

EFFECTIVE DATE: January 1, 2020

APPLICATION AND AUTHORIZATION PROCESS

Under the bill, an out-of-state institution that does not participate in SARA and seeks to operate a distance learning program in the state must (1) apply to OHE on a form the office prescribes and (2) agree to standards OHE establishes that are similar to the SARA standards. OHE must approve or reject the application in accordance with the standards it establishes. Once approved, the OHE authorization is valid for one year and may be annually renewed.

The bill requires OHE to establish an application and renewal fee schedule for such institutions. The fee schedule must be graduated

based on the number of full-time equivalent students enrolled at each out-of-state higher education institution.

BACKGROUND

State Authorization Reciprocity Agreement (SARA)

SARA allows institutions offering distance learning programs outside of their home state to enroll students under uniform standards. SARA membership is open to non-profit and for-profit degree-granting postsecondary institutions accredited by a U.S. Department of Education recognized agency. States participating in SARA commit to resolving complaints from distance learning programs offered by their institutions. Currently, California is the only state that does not participate in SARA.

OHE is the portal agency that administers SARA in Connecticut, and is responsible for the review of institutional applications and the resolution of out-of-state students' complaints against Connecticut SARA institutions.

COMMITTEE ACTION

Higher Education and Employment Advancement Committee

Joint Favorable

Yea 22 Nay 0 (03/12/2019)