
OLR Bill Analysis

sSB 998

AN ACT CONCERNING THE RECOMMENDATIONS OF THE OFFICE OF HIGHER EDUCATION REGARDING PRIVATE OCCUPATIONAL SCHOOLS AND CLOSURE PLANS OF INSTITUTIONS OF HIGHER EDUCATION.

SUMMARY

This bill makes the following changes in the laws governing private occupational schools and higher education institution closures:

1. changes the threshold for when nonaccredited private occupational schools must include certain financial statements in their application to the Office of Higher Education (OHE) for a certificate of authorization and their annual financial status statement (§§ 1 & 2);
2. allows OHE's executive director to deny a private occupational school's certificate of authorization renewal or revoke its issued one if the school does not file its completed renewal application by its due date or extended due date (§§ 3 & 4);
3. requires out-of-state private occupational schools seeking to operate distance learning programs in Connecticut to follow an application process and standards established by OHE (§§ 5-7); and
4. requires private colleges and universities to submit a closure plan to OHE by January 1, 2022, describing the institution's specific plans for responding to emergency events and managing student-related closure issues (§ 8).

The bill also makes technical and conforming changes.

EFFECTIVE DATE: July 1, 2021

§§ 1 & 2 — NONACCREDITED PRIVATE OCCUPATIONAL SCHOOL OHE FILINGS

By law, private occupational schools must send to OHE financial statements detailing their financial condition as part of their (1) application for a certificate of authorization and (2) annual financial status statement. The bill requires nonaccredited private occupational schools to compile their financial statements using a licensed certified public accountant or licensed public accountant, in accordance with American Institute of Certified Public Accountants standards, if the school receives less than \$50,000 in annual tuition revenue, rather than if the school annually enrolls fewer than 10 students, as under current law.

§§ 5-7 — DISTANCE LEARNING PROGRAMS OFFERED BY OUT-OF-STATE PRIVATE OCCUPATIONAL SCHOOLS

The bill requires out-of-state private occupational schools seeking to operate a distance learning program in Connecticut to apply to OHE and follow its standards. The office must approve or reject each application in accordance with these standards. Under the bill, a “distance learning program” is a program of study that broadcasts lectures or conducts classes online or by correspondence and does not require in-person attendance.

Under the bill, OHE authorization to operate the distance learning program is valid for one year and may be renewed annually. The office must establish an application and renewal fee schedule for approved out-of-state private occupational schools.

§ 8 — PRIVATE COLLEGE AND UNIVERSITY CLOSURE PLANS

Submission

The bill requires each private higher education institution to submit a closure plan to OHE. The plan must address the institution’s (1) planned response to a natural disaster, pandemic, data security threat, or other catastrophic event and (2) management of student records, education continuity, and administration of financial aid and refunds.

The bill allows regionally accredited private institutions to comply

with these requirements by submitting the same closure plan it submitted to the accreditation agency. It also requires these institutions to submit any closure plan updates within 30 days after the institution's governing board approves them.

Notice

Under the bill, a private higher education institution planning to close permanently must submit written notice of the closure to OHE within 30 days after its governing board authorizes the closure. The notice must contain the follow information:

1. planned date of operations termination;
2. planned date and location for the student records transfer;
3. organization's name and address that will receive and maintain the student records;
4. name and contact information of the designated office or official who will manage transcript requests;
5. arrangement to facilitate a teach-out to continue enrolled students' education;
6. evidence of communication with the U.S. Department of Education and said office about managing student refunds, state or federal grants and scholarships, and state loans (it is unclear to which office this refers); and
7. evidence of communication with the regional accreditation agency about the closure, if applicable.

COMMITTEE ACTION

Higher Education and Employment Advancement Committee

Joint Favorable Substitute

Yea 22 Nay 0 (03/18/2021)