House of Representatives

General Assembly

File No. 156

January Session, 2025

Substitute House Bill No. 6445

House of Representatives, March 20, 2025

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 substitute bill ought to pass.

AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE OFFICE OF HIGHER EDUCATION.

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

Section 1. Section 10a-57f of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

(a) As used in this section:

(1) "Connecticut institution of higher education" means an institution of higher education that (A) conducts instructional activities at a physical location in the state, or (B) maintains an administrative office in the state; and

(2) "Out-of-state institution of higher education" means an institution of higher education that (A) is not a Connecticut institution of higher education, and (B) is authorized, licensed or accredited by another state.

[(a) Not later than January 1, 2017, the**]** (b) The Office of Higher Education shall enter into a multistate or regional reciprocity agreement

for purposes of enabling the state and Connecticut institutions of higher education to participate in a nation-wide state authorization reciprocity agreement (1) establishing uniform standards for distance learning programs across states, and (2) eliminating the need for a state participating in the state authorization reciprocity agreement to assess the quality of a distance learning program offered by an out-of-state institution of higher education through the participating state's authorization, licensing and accreditation process. Notwithstanding the provisions of part III of this chapter and upon the Office of Higher Education entering into the multistate or regional reciprocity agreement, an out-of-state institution of higher education that participates in the state authorization reciprocity agreement may operate a distance learning program in the state in accordance with the uniform standards.

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

[(c)**]** (d) Any out-of-state institution of higher education that does not participate in the nation-wide, state authorization reciprocity agreement and seeks to operate a distance learning program in the state shall submit an application to the Office of Higher Education on a form prescribed by the office. Each institution shall agree to abide by standards, similar to those in the nation-wide, state authorization reciprocity agreement and established by the office. The office shall

approve or reject the institution's application in accordance with the standards established by the office. Authorization by the office to operate a distance learning program in the state shall be valid for a period of one year and may be renewed by the office for additional one-year periods. The office shall establish a schedule of application and renewal fees for all out-of-state institutions of higher education that do not participate in the nation-wide, state authorization reciprocity agreement and are approved by the office. The fee schedule shall be graduated based on the number of full-time equivalent students enrolled at each out-of-state institution of higher education.

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

Sec. 2. Section 10a-22c of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

(a) No certificate to operate a private career school shall be authorized by the commissioner, or the commissioner's designee, if (1) any principal, officer, member or director of the applicant school has acted in a similar capacity for a private career school which has had its authorization revoked pursuant to section 10a-22f; (2) the applicant school does not have a net worth consisting of sufficient liquid assets or other evidence of fiscal soundness to operate for the period of time for which authorization is sought; (3) the applicant school or any of its agents engages in advertising, sales, collection, credit or other practices which are false, deceptive, misleading or unfair; (4) the applicant school has any policy which discourages or prohibits the filing of inquiries or complaints regarding the school's operation with the commissioner; (5) the applicant school fails to satisfactorily meet the criteria set forth in subsection (g) of section 10a-22b, or, on and after the effective date of regulations adopted pursuant to section 10a-22k, the criteria set forth in such regulations; (6) a private career school that has previously closed

fails to follow the procedures for school closure under section 10a-22m; or (7) the applicant school does not have a director located at the school and at each of its branches in this state.

(b) The commissioner may deny a certificate of authorization if the person who owns or intends to operate a private career school has been convicted in this state, or any other state, of larceny in violation of section 53a-122 or 53a-123; identity theft in violation of section 53a-129b or 53a-129c; forgery in violation of section 53a-138 or 53a-139; or has a criminal record in this state, or any other state, that the commissioner reasonably believes renders the person unsuitable to own and operate a private career school. A refusal of a certificate of authorization under this subsection shall be made in accordance with the provisions of sections 46a-79 to 46a-81, inclusive.

(c) No certificate to operate a private career school shall be issued by the commissioner pursuant to section 10a-22d, as amended by this act, until such private career school seeking authorization files with the commissioner certificates indicating that the buildings and premises for such school meet all applicable state and local fire and zoning requirements. Such certificates shall be attested to by the fire marshal and zoning enforcement officer within the municipality in which such school is located.

(d) No certificate to operate a new private career school shall be issued by the commissioner pursuant to section 10a-22d, as amended by this act, until such private career school seeking authorization files with the commissioner an irrevocable letter of credit issued by a bank with its main office or branch located within this state in the penal amount of forty thousand dollars guaranteeing the payments required of the school to the private career school student protection account in accordance with the provisions of section 10a-22u, except that, any letter of credit issued on and after the effective date of the regulations adopted pursuant to section 10a-22k, shall be in a penal amount specified in such regulations. The letter of credit shall be payable to the private career school student protection account in the event that such school fails to

make payments to the account as provided in subsection (a) of section 10a-22u or in the event the state takes action to reimburse the account for a tuition refund paid to a student pursuant to the provisions of section 10a-22v, provided the amount of the letter of credit to be paid into the private career school student protection account shall not exceed the amounts owed to the account. In the event a private career school fails to close in accordance with the provisions of section 10a-22m, the commissioner may seize the letter of credit, which shall be made payable to the private career school protection account.

(e) No certificate to operate a private career school shall be renewed by the commissioner pursuant to section 10a-22d, as amended by this act, if such private career school seeking authorization has not enrolled any students continually during the previous two calendar years. Upon the expiration of such private career school's authorization, such private career school shall follow the procedures for school closure set forth in section 10a-22m.

[(e)**]** (f) The commissioner shall notify the applicant private career school, by certified mail, return receipt requested of the decision to grant or deny a certificate of authorization not later than sixty days after receiving the written report of the evaluation team appointed pursuant to subsection (e) of section 10a-22b.

Sec. 3. Subsection (e) of section 10a-22d of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

(e) Notwithstanding the provisions of sections 10a-22a to 10a-22o, inclusive, the commissioner may authorize the extension of the most recent certificate of authorization for a period not to exceed **[**sixty**]** ninety days for good cause shown, provided such extension shall not change the date of the original certificate's issuance or the date for each renewal.

Sec. 4. Section 10a-34 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

(a) For the purposes of this section, (1) "program of higher learning" means any course of instruction for which it is stated or implied that college or university-level credit may be given or may be received by transfer, including any course offered by dual enrollment; (2) "degree" means any letters or words, diploma, certificate or other symbol or document which signifies satisfactory completion of the requirements of a program of higher learning; (3) "institution of higher education" means any person, school, board, association, limited liability company or corporation which is authorized to offer one or more programs of higher learning leading to one or more degrees; (4) "authorization" means the approval by the Office of Higher Education to operate or continue operating a program of higher learning or institution of higher education for subsequent periods, and in such periods to confer specified degrees; (5) "program modification" means (A) a change in a program of higher learning that does not clearly qualify as a new program of higher learning or a nonsubstantive change, including, but not limited to, a new program of higher learning consisting primarily of course work for a previously approved program of higher learning, (B) an approved program of higher learning to be offered at an off-campus location, (C) a change in the title of a degree, or (D) a change in the title of a program of higher learning; **[**and**]** (6) "nonsubstantive change" means (A) a new undergraduate certificate program, within an existing program of higher learning, of not more than thirty semester credit hours that falls under an approved program of higher learning, (B) a new baccalaureate minor of not more than eighteen semester credit hours, (C) a new undergraduate option or certificate program of not more than fifteen semester credit hours, or (D) a new graduate option or certificate program of not more than twelve semester credit hours; and (7) "change of ownership" means a transaction involving an institution of higher education that results in a change of control of such institution, including, but not limited to, a (A) sale of such institution, (B) transfer of the controlling interest of stock of such institution or a parent corporation of such institution, (C) merger of two or more institutions of higher education, (D) division of such institution into two or more institutions of higher education, (E) transfer of liabilities of such

institution to a parent corporation of such institution, (F) transfer of assets that comprise a substantial portion of the educational assets of such institution, unless the transfer consists exclusively of granting a security interest in such assets, or (G) change in the status of such institution as a public, nonprofit or for-profit institution of higher education.

(b) The Office of Higher Education shall establish regulations, in accordance with chapter 54, concerning the requirements for authorization, administration, finance, faculty, curricula, library, student admission and graduation, plant and equipment, records, catalogs, program announcements and any other criteria pertinent thereto, as well as the periods for which authorization may be granted, and the costs and procedures of evaluations as provided in subsections (c), (d) and (i) of this section.

(c) No person, school, board, association or corporation shall confer any degree unless authorized by act of the General Assembly. No application for authority to confer any such degree shall be approved by the General Assembly or any committee thereof, nor shall any such authority be included in any charter of incorporation until such application has been evaluated and approved by the Office of Higher Education in accordance with regulations established by the Office of Higher Education.

(d) The Office of Higher Education shall review all requests and applications for program modifications, nonsubstantive changes, **[**and**]** authorizations and change of ownership. The office shall review each application in consideration of the academic standards set forth in the regulations for authorization adopted by said office in accordance with the provisions of subsection (b) of this section. Notwithstanding the provisions of section 10a-34e, any application that is determined by the office to be for (1) a program modification that meets all such academic standards, (2) a nonsubstantive change, or (3) authorization shall be deemed approved, and the office shall notify the institution of such approval, not later than forty-five days from the date the office receives

such application without requiring any further action from the applicant.

(e) If the Commissioner of Higher Education, or the commissioner's designee, determines that further review of an application is needed due at least in part to the applicant offering instruction in a new program of higher learning or new degree level or the financial condition of the institution of higher education is determined to be at risk of imminent closure as a result of a financial screening conducted pursuant to the provisions of section 10a-34h, then the commissioner or the commissioner's designee shall conduct a focused or on-site review. Such applicant shall have an opportunity to state any objection regarding any individual selected to review an application on behalf of the commissioner. For purposes of this subsection and subsection (f) of this section, "focused review" means a review by an out-of-state curriculum expert; and "on-site review" means a full team evaluation by the office at the institution of higher education.

(f) The Commissioner of Higher Education, or the commissioner's designee, may require (1) a focused or on-site review of any program application in a field requiring a license to practice in Connecticut, and (2) evidence that a program application in a field requiring a license to practice in Connecticut meets the state or federal licensing requirements for such license.

(g) Any application for authorization of a new institution in this state shall be subject to an on-site review upon a determination by the Office of Higher Education that the application is complete and shall be reviewed at the institutional level for each program as described in subsection (b) of this section. Such process shall be completed not later than nine months from the date said office receives the application.

(h) If the Office of Higher Education denies an application for authorization of a program or institution of higher education, the applicant may appeal the denial not later than ten days from the date of denial. The office shall conduct a hearing in accordance with the requirements of chapter 54 to hear such appeal.

(i) No person, school, board, association or corporation shall operate a program of higher learning or an institution of higher education unless it has been authorized by the Office of Higher Education, nor shall it confer any degree unless it has been authorized in accordance with this section. The office shall accept accreditation recognized by the Secretary of the United States Department of Education, in satisfaction of the requirements of this subsection unless the office finds cause not to rely upon such accreditation. If any institution of higher education provides evidence of programmatic accreditation, the office may consider such accreditation in satisfaction of the requirements of this subsection and deem the program at issue in the application for accreditation to be accredited in accordance with this section.

(j) No person, school, board, association or corporation shall use in any way the term "junior college" or "college" or "university" or use any other name, title, literature, catalogs, pamphlets or descriptive matter tending to designate that it is an institution of higher education, or that it may grant academic or professional degrees, unless the institution has been authorized by the office, nor shall it offer any program of higher learning without authorization of the Office of Higher Education.

(k) Authorization of any program or institution or authority to award degrees granted in accordance with law prior to July 1, 1965, shall continue in effect unless the Office of Higher Education determines that an institution is at risk of imminent closure as a result of a financial screening conducted pursuant to the provisions of section 10a-34h.

(l) Notwithstanding the provisions of subsections (b) to (j), inclusive, of this section and subject to the authority of the State Board of Education to regulate teacher education programs, an independent institution of higher education, as defined in section 10a-173, shall not require approval by the Office of Higher Education for any new programs of higher learning or any program modifications proposed by such institution, provided (1) the institution maintains eligibility to participate in financial aid programs governed by Title IV, Part B of the Higher Education Act of 1965, as amended from time to time, (2) the

United States Department of Education has not determined that the institution has a financial responsibility score that is less than 1.5 for the most recent fiscal year for which the data necessary for determining the score is available, and (3) the institution has been located in the state and accredited as a degree-granting institution in good standing for ten years or more by a regional accrediting association recognized by the Secretary of the United States Department of Education and maintains such accreditation status. Each institution that is exempt from program approval by the Office of Higher Education under this subsection shall (A) on or before the last date of each semester, but not less frequently than annually, update the credentials database, established pursuant to the provisions of section 10a-35b, with any new programs of higher learning that were introduced or any existing programs of higher learning that were modified or discontinued during such semester, and (B) not later than July 1, 2024, and annually thereafter, file with the office (i) the institution's current program approval process and all actions of the governing board concerning approval of any new program of higher learning, and (ii) the institution's financial responsibility composite score, as determined by the United States Department of Education, for the most recent fiscal year for which the data necessary for determining the score is available.

This act shall take effect as follows and shall amend the following sections:		
Section 1	*July 1, 2025*	10a-57f
Sec. 2	*July 1, 2025*	10a-22c
Sec. 3	*July 1, 2025*	10a-22d(e)
Sec. 4	*July 1, 2025*	10a-34

Statement of Legislative Commissioners:
In Section 4(a)(7)(B) and (E), "of such institution" was inserted after "parent corporation" for clarity.

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 has no fiscal impact to the Office of Higher Education (OHE). It: (1) clarifies the definition of in-state and out-of-state institutions of higher education for certain purposes; (2) makes changes to renewal requirements for authorization of private career schools; and (3) requires the Office of Higher Education to approve a change of ownership of a private institution of higher education. These changes are not expected to impact the cost to OHE of fulfilling its regulatory responsibilities.

OLR Bill Analysis

sHB 6445

AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE OFFICE OF HIGHER EDUCATION.

SUMMARY

This bill makes various changes in Office of Higher Education (OHE)-related laws and programs, which include:

1. defining a "Connecticut institution of higher education" and an "out-of-state institution of higher education" as they relate to authorization for distance learning and related OHE oversight activities;

2. prohibiting private career schools from renewing their certificate to operate if they have not enrolled any students continually during the previous two calendar years;

3. increasing, from 60 to 90 days, the length of time the commissioner can extend a private career school's authorization for good cause; and

4. requiring OHE to review requests and applications regarding an ownership change for a higher education institution.

EFFECTIVE DATE: July 1, 2025

DISTANCE LEARNING

For purposes of the law on distance learning reciprocity, the bill defines a "Connecticut institution of higher education" as an institution that either (1) conducts instructional activities at a physical location in the state or (2) maintains an administrative office in the state. It defines an "out-of-state institution of higher education" as one that (1) does not fall under the above definition and (2) is authorized, licensed, or accredited by another state.

Specifically, these definitions apply to the existing law on OHE's multistate or regional reciprocity agreement that allows Connecticut and its higher education institutions to participate in a nationwide state authorization reciprocity agreement on distance learning programs. The nationwide agreement (1) establishes uniform standards across states and (2) eliminates the need for participating states to assess the program quality offered by an out-of-state institution.

Under this law, Connecticut institutions seeking to participate in the nationwide agreement must apply to OHE, and OHE must approve or reject the application under the agreement's terms. Participating out-of-state institutions can operate distance learning programs here under the agreement's standards. Out-of-state institutions that do not participate in the agreement must apply to OHE if they seek to offer these programs here.

PRIVATE CAREER SCHOOL CERTIFICATION RENEWAL OR EXTENSION

The bill prohibits OHE from renewing a private career school's certificate to operate if the school has not enrolled any students continually during the previous two calendar years. Under the bill, these schools must close according to statutory procedures when their current certificate expires. By law, these procedures include verifying that coursework is complete, no refunds are due, and student records are going to be maintained.

The bill also increases, from 60 to 90 days, the length of time the commissioner can extend a private career school's authorization if (1) good cause is shown, and (2) the extension would not change the date of the original certificate's issuance or the date for each renewal.

REVIEWING CHANGE OF OWNERSHIP REQUESTS FOR AN INSTITUTION OF HIGHER EDUCATION

The bill requires OHE to review requests and applications regarding change of ownership for a higher education institution. Under existing law, OHE generally reviews requests for program modifications, non-substantive changes, and authorizations.

Generally, the bill defines a "change of ownership" as a transaction, such as a sale, merger, or transfer, involving a higher education institution that results in a change of control over the institution. The term includes the transfer of a substantial portion of the institution's educational assets, but it does not cover transfers that are exclusively granting a security interest in those assets. The term also includes a change in the status of an institution as a public, nonprofit, or for-profit institution.

COMMITTEE ACTION

Higher Education and Employment Advancement Committee

Joint Favorable Substitute
Yea 18 Nay 0 (02/27/2025)