



**Governor Ned Lamont
State of Connecticut**



FACT SHEET
2023 Legislative Session

SENATE BILL 982

AN ACT IMPLEMENTING THE GOVERNOR'S BUDGET RECOMMENDATIONS CONCERNING HIGHER EDUCATION

Summary of Proposal:

Sections 1-2 – Removes a requirement that the Office of Higher Education (OHE) develop and maintain an affirmative action plan for public institutions of higher education in the state. This role is being fulfilled by the constituent units of higher education and the Commission on Human Rights and Opportunities.

Section 3 - Authorizes the Connecticut Board of Regents to retain proceeds from the sale, exchange, lease, or transfer conveying all or in part surplus real estate subject to requirements including the review and approval of OPM. Any proceeds would first be used to pay existing outstanding debts or bond funds. If passed, the Connecticut State Colleges and Universities (CSCU) would have greater control over their physical plant and flexibility to adapt their footprint to meet the needs of current and future students.

Section 4 – Moves the Open Educational Resources Council from OHE to CSCU. The council is charged with studying and identifying ways in which the expansion of open educational resources (i.e. digital textbooks) can have the greatest positive financial impact on students. Funding has been appropriated to OHE since FY 2020 for the council to operate a grant program, but the funding has always been transferred directly to CSCU for administration because the council chair is a CSCU employee. The Governor's budget proposes placing the council within CSCU and eliminating the appropriated funding for the grant program.

Section 5 – Specifies the fringe benefit costs to be paid by the State Comptroller, and those to be paid by the constituent units of higher education, under the Governor's budget proposal.

Section 6 – Authorizes the UConn Board of Trustees to transfer state-appropriated block grant funds to the UConn Health Operating Fund. Rather than treating UConn Health as a separate entity for the purposes of state funding, the Governor's budget employs a "One UConn" approach by appropriating one block grant for the Board of Trustees to allocate as necessary. This language explicitly authorizes the Board to do so.

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Section 7-11 – Amends the statutes concerning online lottery (iLottery) ticket sales to deposit the associated sales tax proceeds in the General Fund rather than the Debt Free Community College Account or the Regional Planning Incentive Account. The Governor’s budget funds PACT at \$15 million annually with a General Fund appropriation, and based on current revenue projections, no excess iLottery funds would be deposited into the RPIA, so there is no significant impact from repealing this revenue diversion.

Section 12 – Permanently eliminates OHE’s role reviewing and approving programs at independent nonprofit institutions of higher education. Such institutions have been exempt from program approval by OHE since 2016, but the provisions for their exemption expire on July 1, 2023 under current law. This section makes the exemption permanent.

Section 13 – Repeals a health care provider loan reimbursement program established in section 79 of PA 22-118. While the bill required the Office of Higher Education to establish such a program, no funding was provided in the state budget to operationalize the program. Furthermore the ARPA-funded CT Health Horizons program at CSCU is aimed at providing financial aid and faculty recruitment support to colleges and universities to address the shortage of healthcare providers.

Section 14 – Repeals the following sections of statute:

1. Sections 3-123i and 3-123k, which provide fringe benefit subsidies annually to the UConn Health Center (3-123i) and Connecticut State Community College (3-123k). The amounts transferred annually from the Comptroller pursuant to these sections are instead reflected in the block grants to each constituent unit.
2. Sections 4-66s, 10a-174a, and 12-853a, which establishes the debt-free community college account (10a-174a), and the online lottery ticket sales fund (12-853a), as well as a task force associated with the regional performance incentive account (4-66s). Sections 7 through 11 of this bill eliminate the transfer of tax revenues into these separate funding sources, and the eliminated task force has completed the required study under 4-66s, but there has never been any revenue in the associated subaccount to implement the study’s findings.

Reason for Proposal: To implement the Governor’s budget recommendations concerning higher education.

Significant Impacts:

Section 5 implements the Governor’s proposal to restructure fringe benefit funding at the constituent units of higher education. In current practice, the Office of the State Comptroller (OSC) covers all fringe benefit costs for certain employees of the constituent units, and the list

of such employees is changed each pay period. The new methodology will have OSC fund certain fringe benefit costs for all employees at these institutions consistently throughout the year. Streamlining this process will eliminate significant administrative work, enhance budgeting and forecasting, alleviate the institutions of risk associated with rising pension costs, and enhance future research grant competitiveness. Block grant appropriations are adjusted to make this proposal budget neutral.

Sections 7-11 directs online lottery sales tax revenues into the General Fund. Under current law, when online lottery sales commence, the revenues would be deposited in separate funds and accounts to fund 1) the Pledge to Advance Connecticut (PACT) program at Connecticut State Community College, which provides grants to students covering outstanding tuition & fee costs after other source of financial aid, and 2) activities from the Regional Performance Incentive Account (RPIA), which currently receives hotel occupancy and car rental tax revenues and would also receive funds in excess of the cost to fund PACT from iLottery revenues. The Governor's budget instead funds PACT at \$15 million annually with a General Fund appropriation, and based on current revenue projections, no excess iLottery funds would be deposited into the RPIA, so there is no significant impact from repealing this revenue diversion.