



Senate

General Assembly

File No. 688

January Session, 2007

Senate Bill No. 1217

Senate, May 2, 2007

The Committee on Appropriations reported through SEN. HARP of the 10th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING THE HIGHER EDUCATION MATCHING GRANT PROGRAM.

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

1 Section 1. Subsection (a) of section 10a-8c of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2007*):

4 (a) Except as provided in subsection (b) of this section,
5 notwithstanding the provisions of sections 10a-77a, 10a-99a, 10a-109c,
6 10a-109i and 10a-143a, [no] funds [shall be] appropriated to the
7 Department of Higher Education for grants pursuant to subdivision (2)
8 of subsection (a) of section 10a-77a, subdivision (2) of subsection (a) of
9 section 10a-99a, subdivision (2) of subsection (b) of section 10a-109i
10 and subdivision (2) of subsection (a) of section 10a-143a [: (1) Until
11 such time as the amount in the Budget Reserve Fund, established in
12 section 4-30a, equals ten per cent of the net General Fund
13 appropriations for the fiscal year in progress, (2) the amount of the
14 grants appropriated] shall be reduced proportionately if the amount

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 08 \$	FY 09 \$
Higher Ed., Dept.	GF - Cost	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill removes the language that the Budget Reserve Fund must equal ten percent of the net General Fund appropriations for the fiscal year in progress, in order for money to be appropriated for the purposes of the Higher Education Matching Grant Program. The Appropriations Act, sHB 7077, as favorably reported by the Appropriations Committee, contains \$4.185 million in both FY 08 and FY 09 to eliminate the unfunded obligations of the matching grant program. Unpaid obligations for FY 08 (matched at 50%) equals \$3.5 million and unpaid obligations for FY 07 and FY 08 (matched at 25%) total \$3.8 million, for a total of \$7.3 million in unpaid obligations.

The Out Years

The annualized ongoing fiscal impact identified above would be subject to the amount of matching grant funds collected by the constituent units of higher education.

OLR Bill Analysis**SB 1217*****AN ACT CONCERNING THE HIGHER EDUCATION MATCHING GRANT PROGRAM.*****SUMMARY:**

By law, the state matches private donations to the UConn, Connecticut State University (CSU), community-technical college, and Charter Oak State College endowment funds, under certain conditions. This bill removes the condition that no funds can be appropriated to the Department of Higher Education for the matching grants until the budget reserve fund equals 10% of net General Fund appropriations for the current fiscal year. The grants continue to be reduced proportionately if (1) the amount available is less than the amount required for the grants and (2) the appropriation for any fiscal year cannot exceed \$25 million.

EFFECTIVE DATE: July 1, 2007

BACKGROUND***Endowment Fund Matching Grant Program***

The Endowment Fund Matching Grant program was created to encourage donations for endowed professorships, scholarships, and program enhancements at UConn, the CSUs, the community-technical colleges, and Charter Oak College. Until 2005, the state matched 50% of private donations. PA 05-3, June Special Session, reduced the match to 25% and prohibited appropriations for it until the General Fund budget reserve equals 10% of net General Fund appropriations for the current fiscal year. PA 06-135 restored the state's 50% match for private donations made between January 1 and June 30, 2005.

COMMITTEE ACTION

Higher Education and Employment Advancement Committee

Joint Favorable Change of Reference

Yea 17 Nay 1 (03/01/2007)

Appropriations Committee

Joint Favorable

Yea 46 Nay 1 (04/17/2007)