



# Senate

General Assembly

**File No. 170**

February Session, 2010

Senate Bill No. 268

*Senate, March 29, 2010*

The Committee on Program Review and Investigations reported through SEN. KISSEL of the 7th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

***AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE ESTABLISHING A PILOT PROGRAM TO REWARD INSTITUTIONS OF HIGHER EDUCATION THAT ARE MEETING ESTABLISHED GOALS.***

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

- 1 Section 1. (NEW) (*Effective October 1, 2010*) The Commissioner of  
2 Higher Education shall establish, within available resources, a pilot  
3 program to reward monetarily, at the commissioner's discretion, each  
4 public institution of higher education that meets the goals established  
5 pursuant to section 10a-6b of the general statutes to the satisfaction of  
6 the Higher Education Coordinating Council.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2010</i>	New section
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**PRI** Joint Favorable

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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.

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**OFA Fiscal Note**

**State Impact:**

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 11 \$</b>	<b>FY 12 \$</b>
Higher Ed., Dept.	GF - Cost	See Below	See Below

Note: GF=General Fund

**Municipal Impact:** None

**Explanation**

The bill requires the Department of Higher Education (DHE) to establish a pilot program to reward monetarily, public institutions of higher education that meet established goals. The bill requires that the program be implemented within available resources, which will result in one of four possible outcomes: (1) the agency will proceed with the required duties, and may require a deficiency appropriation; (2) the agency will delay the implementation of the bill pending the approval of additional appropriations to meet these requirements; (3) the agency will shift staff resources from other agency priorities, thereby impacting existing agency responsibilities and duties; or (4) the agency will not be able to implement the bill.

It is unknown how much it would cost the state to implement an incentive program for institutions of higher education. Other states that are linked with Connecticut in the Accountability and Best Practices have similar programs that range in cost from \$7.5 million to \$89.0 million annually. However, it is anticipated that as a pilot, the program would cost less in FY 11 and FY 12. Additionally, it is anticipated that DHE would require one additional Associate Director to operate and oversee the program, at an annual salary of

approximately \$85,000 plus fringe benefits<sup>1</sup>.

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation and full implementation of the program.

*Sources: www.educationsector.org*

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<sup>1</sup> The estimated non-pension fringe benefit rate as a percentage of payroll is 26.66% which includes health insurance, social security, Medicare, life insurance, and unemployment compensation. Fringe benefit costs for new positions do not include pension costs as new positions will not impact the state's pension contribution until FY 12 after the next scheduled actuarial valuation.

**OLR Bill Analysis****SB 268*****AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE ESTABLISHING A PILOT PROGRAM TO REWARD INSTITUTIONS OF HIGHER EDUCATION THAT ARE MEETING ESTABLISHED GOALS.*****SUMMARY:**

This bill requires the commissioner of higher education to establish a pilot program to financially reward public institutions of higher education for meeting certain goals to the satisfaction of the Higher Education Coordinating Council. The rewards are to be allocated from existing resources at the discretion of the commissioner.

By law, the goals these institutions must meet include:

1. enhancing student learning and promoting academic excellence,
2. working with elementary and secondary schools to improve teaching and learning at all levels,
3. ensuring access to and affordability of higher education,
4. promoting economic development in Connecticut,
5. responding to society's problems and needs, and
6. ensuring efficient use of resources.

The Higher Education Coordinating Council is responsible for developing accountability measures to assess institutions' achievement of these goals.

EFFECTIVE DATE: October 1, 2010

**COMMITTEE ACTION**

Program Review and Investigations Committee

Joint Favorable

Yea 12 Nay 0 (03/11/2010)