

# OFFICE OF FISCAL ANALYSIS

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sSB-4

AN ACT ASSISTING STUDENTS WITHOUT LEGAL IMMIGRATION  
STATUS WITH THE COST OF COLLEGE.

AMENDMENT

LCO No.: 4181

File Copy No.: 206

House Calendar No.: 405

Senate Calendar No.: 144

## ***OFA Fiscal Note***

### ***State Impact:***

Agency Affected	Fund-Effect	FY 19 \$	FY 20 \$
Department of Revenue Services	GF - Revenue Loss	None	Up to 110 million
Department of Revenue Services	GF - Cost	Less than 164,051	118,734
State Comptroller - Fringe Benefits <sup>1</sup>	GF - Cost	32,352	43,136

Note: GF=General Fund

***Municipal Impact:*** None

### ***Explanation***

The amendment strikes the underlying bill and associated fiscal impact.

The amendment establishes a business tax credit for qualified student loan payments made by employers with 50 or fewer employees which results in: 1) an annualized revenue loss of up to \$110 million beginning in FY 20, 2) a one-time cost to the Department

<sup>1</sup>The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 36.33% of payroll in FY 19 and FY 20.

of Revenue Services (DRS) of less than \$75,000 in FY 19, and 3) an annual cost to the DRS of \$161,870 (\$118,734 for salary and \$43,136 for fringe costs) associated with two Revenue Examiners.

The actual revenue loss is dependent on: A) the number of firms making eligible loan repayments, B) the number of employees participating in qualified employer loan repayment programs, and C) the total amount of qualified loan repayment by employers.

The revenue estimate is based on data from the Society for Human Resource Management's 2017 Employee Benefits survey report indicating that approximately 4% of employers provide loan repayment assistance. The estimate assumes approximately 35% of employees have student loans outstanding and an average repayment amount of \$5,000 per employee annually (based on amounts from companies that currently offer the benefit, such as Aetna, PwC, and Fidelity).

*The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does 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.*

Sources: Federal Reserve Bank of New York "Quarterly Report on Household Debt and Credit 2017:Q3"  
Society for Human Resource Management 2017 Employee Benefits Survey  
StudentLoanHero.com "17 Companies That Help Employees Pay Off Their Student Loans"  
United States Census Bureau 2015 County Business Patterns