

OFFICE OF FISCAL ANALYSIS

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<http://www.cga.ct.gov/ofa>

HB-5668

AN ACT REQUIRING THE OFFICE OF HIGHER EDUCATION TO ESTABLISH A MICROCREDENTIAL PILOT PROGRAM.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 22 \$	FY 23 \$
Higher Ed., Off.	GF - Cost	888,443	138,443
State Comptroller - Fringe Benefits ¹	GF - Cost	57,177	57,177
Higher Ed., Off.	GF - Revenue Gain	None	Indeterminate

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill requires the Office of Higher Education (OHE) to establish a pilot program, by January 1, 2022, to develop a virtual platform for state residents to earn or renew a microcredential. The bill is anticipated to result in costs to OHE that total \$888,443 in FY 22 and \$138,443 in FY 23, along with fringe benefit costs of \$57,177 in both years.

The bill is anticipated to result in additional, annual staff costs to OHE of \$138,443, and corresponding fringe benefit costs of \$57,177, associated with hiring two full-time Senior Consultants. The two additional staff members would be responsible for monitoring microcredential registration, fee collection, and survey analysis.

¹The 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 41.3% of payroll in FY 22 and FY 23.

In addition to staffing costs, OHE would require funding to develop the virtual platform. It is anticipated, based on third party providers who have developed similar platforms in other states, that OHE would incur one-time FY 22 development costs of approximately \$500,000, with an additional \$200,000 in one-time connection costs to integrate the platform into OHE's Academic Affairs database. It is also anticipated that OHE would require staff training and marketing development in FY 22, totaling approximately \$50,000.

The bill creates a non-lapsing "microcredential account." Employers posting job opportunities on the virtual platform are required to submit a fee in the amount OHE establishes, and any fee must be deposited into the account. This will result in a revenue gain, beginning in FY 23 (as the platform must be developed before any revenue is collected) to the General Fund. The scope of the net revenue gain is indeterminate and will vary based on the fee set by OHE, the number of employers posting job opportunities on the virtual platform, and the expenditures from the fund by OHE in support of the microcredential program, in the ways specified in the bill.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

Sources: <https://www.midaseducation.com/>