

# OFFICE OF FISCAL ANALYSIS

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

sHB-6231

AN ACT CONCERNING HEALTH INSURANCE BENEFITS FOR PART-TIME FACULTY EMPLOYED BY THE CONNECTICUT STATE UNIVERSITY SYSTEM.

## ***OFA Fiscal Note***

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

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 22 \$</b>	<b>FY 23 \$</b>
Board of Regents for Higher Education	Various - Cost	1.6 million to 2.4 million	1.6 million to 2.4 million

Note: Various=Various

***Municipal Impact:*** None

### ***Explanation***

The bill, which extends state employee health benefits to certain part-time experienced faculty who teach at a Connecticut state university, is anticipated to result in a cost to the Board of Regents of approximately \$1.6 million to \$2.4 million in both FY 22 and FY 23.

The bill's cost is due to the state newly paying the employer share of health insurance costs for part-time faculty members who: (1) teach fewer than nine credits; (2) have taught at least 90 credits cumulatively among the four Connecticut state universities, over the last ten academic years; and (3) choose to enroll in state health insurance coverage (and are not enrolled through other employment). Currently, all part-time faculty members who teach fewer than nine credits are eligible for state employee health benefits but must pay the full cost, including the employer share, regardless of experience level. (Part-time faculty members who teach more than nine credits across the

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4/5/21

CSUs are unaffected by this bill because they are already eligible to receive full state employee health benefits.)

The bill is estimated to result in a cost to the Board of Regents of \$1.6 million to \$2.4 million annually, beginning in FY 22. The estimate is based on an average cost to the state of \$1,115 per month for state medical and dental benefits selected by currently employed part-time experienced CSU faculty who have chosen to enroll in state health coverage. Seven months of coverage (fall and spring semesters) is assumed for a per-person average cost of \$7,804.<sup>1</sup> Based on employee-level data provided by the Office of the State Comptroller, an estimated 210 to 310 part-time experienced faculty may benefit from the bill, if they choose to enroll in coverage. The resulting cost is approximately \$1.6 million to \$2.4 million annually.

The cost of the bill is borne by the Board of Regents, instead of the Office of the State Comptroller (OSC), because of how fringe benefits are paid for employees of the constituent units. As the bill does not dedicate additional General Fund block grant dollars to the constituent units, or appropriate additional funds to OSC, it is assumed the costs will be paid through non-General Fund revenues of the Board of Regents.

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

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation in state health benefits costs as reflected in the employer share and changes in the number of eligible experienced part-time CSU faculty.

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<sup>1</sup> Part-time faculty members are eligible for health benefits only for the term of their contracts, according to a 2007 memo from the Office of the State Comptroller that continues to guide current policy.