
OLR Bill Analysis

sSB 982

AN ACT IMPLEMENTING THE GOVERNOR'S BUDGET RECOMMENDATIONS CONCERNING HIGHER EDUCATION AND REPEALING THE TASK FORCE CONCERNING COLLABORATION AMONG STATE AND MUNICIPAL GOVERNMENTS.

SUMMARY

This bill makes several changes to laws impacting Connecticut public higher education institutions.

Beginning with FY 24, the bill requires the:

1. comptroller to pay the retirement-related fringe benefit costs, using the resources appropriated for the State Comptroller-Fringe Benefits, for all employees of the constituent units of the state higher education system (i.e., UConn and the Connecticut State Colleges and Universities (CSCUs), which includes the regional community technical colleges and Charter Oak State College), rather than only for General Fund-supported employees; and
2. constituent units to fund their employee health and life insurance, unemployment compensation, and employers' social security tax (§§ 5 & 12).

The bill also:

1. eliminates the diversion of online lottery sales revenue to fund the state's debt-free community college program ("Pledge to Advance CT," or PACT) (§§ 6-10 & 12);
2. eliminates a requirement that the Office of Higher Education (OHE) maintain a racial and ethnic diversity plan for the state's higher education institutions, but adds similar provisions into

- the existing OHE minority advancement program (§§ 1 & 2);
3. authorizes the Board of Regents (BOR), with the Office of Policy and Management (OPM) secretary's review and approval, to sell surplus CSCU property outside of the current disposition process for surplus state property; (§ 3);
 4. transfers the Connecticut Open Educational Resource Coordinating Council from OHE to CSCU and makes conforming changes (§ 4);
 5. makes permanent the OHE program approval process exemption for certain schools and colleges (§ 11); and
 6. repeals the regionalization task force and a related subaccount to fund its recommendations (§ 12).

EFFECTIVE DATE: July 1, 2023

§§ 1 & 2 — ETHNIC AND RACIAL DIVERSITY PLAN

The bill eliminates a requirement that OHE, in consultation with the constituent units, develop and maintain an affirmative action plan that ensures that Connecticut higher education institution students, faculty, administrators, and staff are representative of the state's racial and ethnic diversity. It also eliminates corresponding requirements that (1) OHE annually report on the affirmative action plan to the governor and General Assembly and (2) institutions develop corrective procedures if plan goals are not met. By law, unchanged by the bill, each constituent unit must prepare an affirmative action plan and the Commission on Human Rights and Opportunities annually reports to the governor and General Assembly on the plans' results (CGS 46a-68).

The bill requires that OHE's minority advancement program, which under current law supports higher education institutions in meeting their ethnic and racial diversity goals, ensure this representation in higher education institutions. The bill makes various conforming changes.

§ 3 — BOR DISPOSING OF SURPLUS PROPERTY

The bill authorizes BOR, regardless of existing law on the disposition of surplus state property (see BACKGROUND), to sell, exchange, lease, convey, or transfer surplus property that (1) a CSCU institution controls and has custody over, and (2) is no longer needed to discharge any of the institution’s functions, as BOR determines.

Under the bill, the OPM secretary must review and approve these transactions. They must be to a bona fide purchaser at a price and on terms BOR determines are:

1. reflective of fair market value, based on at least two appraisals conducted within three months before the transaction;
2. in the state’s and the owning institution’s best interest; and
3. consistent with the owning institution’s objectives and purposes.

The bill requires BOR to use the proceeds from any of these transactions as follows: first, to pay outstanding bonds or other debt associated with the property or improvements to it; second, for any costs associated with the transaction; and, finally, for any capital expenditure consistent with BOR’s campus improvement plan.

§ 4 — OPEN EDUCATIONAL RESOURCE COORDINATING COUNCIL

Under current law, the Open Educational Resource Coordinating Council is part of the executive branch and chaired by the OHE executive director, who also appoints members and fills vacancies. The bill instead makes the council part of CSCU and correspondingly makes the CSCU president the council chair (requiring him to, among other things, appoint members and fill vacancies). The bill also requires CSCU administrative staff, rather than OHE’s, to serve as the council’s administrative staff.

By law, the council seeks to lower the cost of textbooks and course materials for high-impact courses at state higher education institutions. “High-impact” courses are instruction courses for which open

educational resources would make a significant positive financial impact on the students taking the course due to the number of students taking the course or the market value of the course's required printed textbook or other resources.

§§ 5 & 12 — HIGHER EDUCATION CONSTITUENT UNIT EMPLOYEE RETIREMENT COSTS

Currently, the Office of the State Comptroller pays the fringe benefit costs of constituent unit employees who are paid out of the General Fund, while the individual constituent units pay for those who are paid from other sources (e.g., tuition revenue).

Under the bill, the comptroller must pay the retirement-related fringe costs for all constituent unit employees, and the constituent units must pay the non-retirement employee fringe costs (i.e., health and life insurance, unemployment compensation, and social security tax).

The retirement-related fringe benefit costs under the bill include retirement for hazardous duty employees and employees enrolled in the State Employee Retirement System, an alternative retirement program, or the teachers' retirement system, as applicable. The bill makes conforming changes by repealing requirements that the comptroller fund certain fringe benefit costs for (1) non-General Fund supported community college employees and (2) UConn Health Center employees.

§§ 6-10 & 12 — ONLINE LOTTERY SALES

Under current law, the Connecticut Lottery Corporation (CLC) must deposit online lottery ticket sales proceeds in the online lottery ticket sales fund, a separate CLC fund for (1) making specified transfers to the General Fund and debt-free community college account and (2) paying CLC's costs for the online lottery program. (CLC has not yet implemented online lottery ticket sales.) Starting in FY 24, current law requires the first \$14 million in net proceeds for each fiscal year to be transferred to the debt-free community college account and any remaining amount to be transferred to the General Fund.

The bill eliminates this dedicated account for online lottery proceeds and the required fund transfers, directing the revenue to CLC's lottery

and gaming fund. By law, CLC must transfer to the General Fund on a weekly basis any balance of this fund that exceeded the corporation's needs for paying lottery prizes and meeting operating expenses and reserves, with an exception for payments directed to the Connecticut Teachers' Retirement Fund Bonds Special Capital Reserve Fund in certain circumstances.

The bill also makes many conforming changes.

§§ 9 & 12 — REGIONALIZATION TASK FORCE AND SUBACCOUNT

The bill repeals a task force established as part of the FY 20-21 budget act to study ways to encourage greater and improved collaboration between the state and municipal governments and regional bodies. The task force submitted its recommendations and terminated according to law. The bill also repeals provisions:

1. requiring the OPM secretary to offer regional functions, activities, or services the task force identified that are performed by municipalities, but might be more efficiently performed by OPM;
2. authorizing OPM and specified regional entities to charge fees to municipalities that opt to participate in these regional functions, activities, or services; and
3. establishing a regionalization subaccount in the General Fund's regional planning incentive account, funded by online lottery program revenue in excess of the amount necessary to fund PACT, to fund the task force's recommendations.

§ 11 — OHE PROGRAM APPROVAL

Current law exempts certain independent colleges and universities from OHE's program approval process for new higher education programs until June 30, 2023, and exempts up to 15 new programs per academic year after that. The bill makes permanent the exemption for an unlimited number of new programs for qualifying schools.

Under existing law, institutions qualify for the exemptions if they (1)

are eligible to participate in the Federal Family Education Loan program; (2) have a financial responsibility score of at least 1.5, as determined by the U.S. Department of Education (this score reflects the overall relative financial health of institutions); and (3) have been located in Connecticut and accredited as a degree-granting institution in good standing for at least 10 years by a federally recognized regional accrediting association.

The bill makes a corresponding change to an annual reporting requirement. Under current law, institutions must file the following with OHE:

1. on or after July 1, 2023, an application for approval for any new programs in excess of the 15 allowed under current law;
2. a program action form, before enrolling students in a new program or modifying an existing one; and
3. annually until June 30, 2024, a list and description of any new programs introduced or discontinued.

Under the bill, institutions instead must annually file an updated list of higher learning or credential programs. By law, unchanged by the bill, these institutions must also annually report on their current program approval process and financial responsibility scores.

BACKGROUND

Surplus Property

Existing law has numerous requirements for the disposition of surplus state property. Among other things, it requires the Department of Administrative Services (DAS) to first offer the property to the municipality in which the property is located if no state agencies express interest in it. If the municipality declines to acquire the property, DAS may offer it to other parties through a sale, lease, exchange, or other agreement. DAS must also consider offering surplus property to abutting landowners before offering it for general sale. By law, UConn is exempt from this process (CGS § 4b-21).

Related Bill

sHB 6771, favorably reported by the Higher Education and Employment Advancement Committee, has similar provisions transferring the Open Educational Resources Coordinating Council to CSCU.

COMMITTEE ACTION

Higher Education and Employment Advancement Committee

Joint Favorable Substitute

Yea 22 Nay 0 (03/07/2023)