



Senate

General Assembly

File No. 193

January Session, 2023

Substitute Senate Bill No. 982

Senate, March 23, 2023

The Committee on Higher Education and Employment Advancement reported through SEN. SLAP of the 5th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

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

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

1 Section 1. Section 10a-11 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2023*):

3 [(a) The Office of Higher Education shall, in consultation with the
4 institutions of the state system of higher education and the constituent
5 unit boards of trustees, develop a strategic plan, consistent with the
6 affirmative action plan submitted to the Commission on Human Rights
7 and Opportunities in accordance with section 46a-68, to ensure that
8 students, faculty, administrators and staff at each institution are
9 representative of the racial and ethnic diversity of the total population
10 of the state. For each institution, there shall be an approved plan which
11 shall include goals, programs and timetables for achieving those goals,

12 and a procedure to monitor annually the results of these programs and
13 a procedure to take corrective action if necessary. The Office of Higher
14 Education shall also develop policies to guide equal employment
15 opportunity officers and programs in all constituent units and at each
16 institution of public higher education.

17 (b) The Office of Higher Education shall report annually to the
18 Governor and General Assembly on the activities undertaken by the
19 office in accordance with subsection (a) of this section. The report shall
20 include institutional goals and plans for attaining such goals, as well as
21 changes in enrollment and employment at the state's institutions of
22 public higher education. If it is determined that an institution has failed
23 to achieve the goals set out pursuant to this section, such institution shall
24 develop a plan of corrective procedures to ensure that such goals are
25 achieved, subject to the approval of the Office of Higher Education.] The
26 Office of Higher Education may establish a minority advancement
27 program to reward and support efforts by institutions of higher
28 education within the state system of higher education [towards meeting
29 the goals established in the strategic plan developed pursuant to
30 subsection (a) of this section] to ensure that students, faculty,
31 administrators and staff of each institution of higher education are
32 representative of the racial and ethnic diversity of the total population
33 of the state.

34 Sec. 2. Subsection (c) of section 10a-11b of the general statutes is
35 repealed and the following is substituted in lieu thereof (*Effective July 1,*
36 *2023*):

37 (c) In developing the higher education strategic master plan, the
38 commission shall review the [plans] plan developed pursuant to
39 [sections 10a-6 and 10a-11] section 10a-6. In addition, the commission
40 may consider the following: (1) Establishing incentives for institutional
41 performance and productivity; (2) increasing financial aid incentive
42 programs, especially in workforce shortage areas and for minority
43 students; (3) implementing mandatory college preparatory curricula in
44 high schools and aligning such curricula with curricula in institutions of

45 higher education; (4) seeking partnerships with the business community
46 and public institutions of higher education to serve the needs of
47 workforce retraining that may include bridge programs in which
48 businesses work directly with higher education institutions to move
49 students into identified workforce shortage areas; (5) establishing
50 collaborative partnerships between public high schools and institutions
51 of higher education; (6) implementing programs in high school to assist
52 high school students seeking a college track or alternative pathways for
53 post-secondary education, such as vocational and technical
54 opportunities; (7) developing policies to promote and measure retention
55 and graduation rates of students, including graduation rates for
56 students who have transferred among two or more constituent units or
57 public institutions of higher education; (8) developing policies to
58 promote the Transfer and Articulation program and the Guaranteed
59 Admission program state wide; (9) addressing the educational needs of
60 minority students and nontraditional students, including, but not
61 limited to, part-time students, incumbent workers, adult learners,
62 former inmates and immigrants, in order to increase enrollment and
63 retention in institutions of higher education; and (10) addressing the
64 affordability of tuition at institutions of higher education and the issue
65 of increased student indebtedness.

66 Sec. 3. (NEW) (*Effective July 1, 2023*) (a) As used in this section,
67 "surplus property" means any land, improvement to land or interest in
68 land that is (1) in the custody and control of an institution of higher
69 education within the Connecticut State Colleges and Universities, and
70 (2) determined by the Board of Regents for Higher Education to not be
71 required for the discharge of any duty or function of such institution.

72 (b) Notwithstanding section 4b-21 of the general statutes, the Board
73 of Regents for Higher Education may, upon the review and approval of
74 the Secretary of the Office of Policy and Management, sell, exchange,
75 lease or otherwise transfer and convey any surplus property to a bona
76 fide purchaser for a price and on terms that said board determines are
77 (1) reflective of the fair market value of the surplus property based on
78 at least two appraisals conducted not earlier than three months prior to

79 such sale, exchange, lease or other transfer and conveyance, (2) in the
80 best interests of the state and the institution of higher education that has
81 custody and control over the surplus property, and (3) consistent with
82 the objectives and purposes of such institution.

83 (c) The Board of Regents for Higher Education shall use the proceeds
84 from any sale, exchange, lease or other transfer and conveyance of
85 surplus property in the following order of priority: (1) To pay any
86 outstanding bonds or other debt associated with the surplus property
87 or any improvements to such property, (2) for any costs associated with
88 such sale, exchange, lease or other transfer and conveyance, and (3) for
89 any capital expenditure that is consistent with said board's plan for
90 campus development.

91 Sec. 4. Section 10a-44d of the general statutes is repealed and the
92 following is substituted in lieu thereof (*Effective July 1, 2023*):

93 (a) For the purposes of this section:

94 (1) "Open educational resource" means a college level resource made
95 available on an Internet web site to be used by students, faculty and
96 members of the public on an unlimited basis at a cost lower than the
97 market value of the printed textbook or other educational resource,
98 including full courses, course materials, modules, textbooks, streaming
99 videos, tests, software and other similar teaching, learning and research
100 resources that reside in the public domain or have been released under
101 a creative commons attribution license that permits the free use and
102 repurposing of such resources;

103 (2) "Creative commons attribution license" means a copyright
104 crediting the author of a digital work product that allows for the free
105 use and distribution of such work product; [and]

106 (3) "High-impact course" means a course of instruction for which
107 open educational resources would make a significant positive financial
108 impact on the students taking the course due to the number of students
109 taking the course or the market value of the printed textbook or other

110 educational resources required for such course; and

111 (4) "President" means the president of the Connecticut State Colleges
112 and Universities.

113 (b) There is established the Connecticut Open Educational Resource
114 Coordinating Council, which shall be part of the [Executive
115 Department] Connecticut State Colleges and Universities. The
116 [executive director of the Office of Higher Education] president shall
117 appoint the members of the council which shall consist of the following:
118 (1) A state-wide coordinator, who shall collaborate with all institutions
119 of higher education to promote open educational resources and
120 administer grants; (2) one faculty member, one administrator and one
121 staff member from The University of Connecticut; (3) one faculty
122 member, one administrator and one staff member from the regional
123 community-technical college system; (4) one faculty member, one
124 administrator and one staff member from Charter Oak State College; (5)
125 one faculty member, one administrator and one staff member from the
126 Connecticut State University System; (6) one faculty member, one
127 administrator and one staff member from the independent institutions
128 of higher education; and (7) one student from any public or independent
129 institution of higher education in the state. All initial appointments to
130 the council shall be made not later than September 1, 2019, and shall
131 expire on August 30, 2022, regardless of when the initial appointment
132 was made. Any member of the council may serve more than one term.

133 (c) The state-wide coordinator appointed by the [executive director
134 of the Office of Higher Education] president shall serve as the
135 chairperson of the council. The chairperson shall schedule the first
136 meeting of the council, which shall be held not later than October 1,
137 2019. The administrative staff of the [Office of Higher Education]
138 Connecticut State Colleges and Universities shall serve as
139 administrative staff of the council.

140 (d) Appointed members of the council shall serve for three-year terms
141 which shall commence on the date of appointment, except as provided
142 in subsection (b) of this section. Members shall continue to serve until

143 their successors are appointed. Any vacancy shall be filled by the
144 [executive director of the Office of Higher Education] president. Any
145 vacancy occurring other than by expiration of term shall be filled for the
146 balance of the unexpired term. A majority of the council shall constitute
147 a quorum for the transaction of any business. The members of the
148 council shall serve without compensation, but shall, within the limits of
149 available funds, be reimbursed for expenses necessarily incurred in the
150 performance of their duties.

151 (e) The council shall perform the following functions:

152 (1) Identify high-impact courses for which open educational
153 resources will be developed, converted or adopted;

154 (2) Establish a program of competitive grants for faculty members of
155 institutions of higher education in the state for the development,
156 conversion or adoption of open educational resources for high-impact
157 courses with any funds identified by the council and within available
158 appropriations;

159 (3) Accept, review and approve competitive grant applications,
160 provided any faculty member who is approved for a competitive grant
161 shall license such open educational resources through a creative
162 commons attribution license;

163 (4) Administer a standardized review and approval process for the
164 development, conversion or adoption of open educational resources;
165 and

166 (5) Promote strategies for the production, use and access of open
167 educational resources.

168 (f) The council shall meet quarterly, or as often as deemed necessary
169 by a majority of the council.

170 (g) Not later than February 1, 2022, and annually thereafter, the
171 council shall submit a report, in accordance with the provisions of
172 section 11-4a, to the joint standing committee of the General Assembly

173 having cognizance of matters relating to higher education regarding (1)
174 the number and percentage of high-impact courses for which open
175 educational resources have been developed, (2) the degree to which
176 institutions of higher education promote the use and access to open
177 educational resources, (3) the amount of grants awarded by the council
178 and the number of open educational resources developed by grant
179 recipients, and (4) its recommendations for any amendments to the
180 general statutes necessary to develop open educational resources.

181 Sec. 5. (NEW) (*Effective July 1, 2023*) Notwithstanding any provision
182 of the general statutes, for the fiscal year ending June 30, 2024, and each
183 fiscal year thereafter, the fringe benefit costs for all employees of the
184 constituent units of the state system of higher education shall be funded
185 as follows: (1) The Comptroller shall fund, from resources appropriated
186 for the State Comptroller-Fringe Benefits, retirement of such employees,
187 including, but not limited to, hazardous duty employees, in the state
188 employees retirement system, an alternative retirement program, as
189 defined in section 5-154 of the general statutes, or the teachers'
190 retirement system, and (2) the constituent unit of the state system of
191 higher education shall fund (A) coverage of employees under a group
192 life insurance policy and the group hospitalization and medical and
193 surgical insurance plans procured by the Comptroller pursuant to
194 section 5-259 of the general statutes, (B) unemployment compensation,
195 and (C) employers' Social Security Tax.

196 Sec. 6. Section 12-801 of the general statutes is repealed and the
197 following is substituted in lieu thereof (*Effective July 1, 2023*):

198 As used in section 12-563a and sections 12-800 to 12-818, inclusive,
199 [and section 12-853a,] the following terms have the following meanings
200 unless the context clearly indicates another meaning:

201 (1) "Board" or "board of directors" means the board of directors of the
202 corporation;

203 (2) "Corporation" means the Connecticut Lottery Corporation as
204 created under section 12-802;

- 205 (3) "Department" means the Department of Consumer Protection;
- 206 (4) "Division" means the former Division of Special Revenue in the
207 Department of Revenue Services;
- 208 (5) "Fantasy contest" has the same meaning as provided in section 12-
209 850;
- 210 (6) "Lottery" means (A) the Connecticut state lottery conducted prior
211 to the transfer authorized under section 12-808 by the Division of Special
212 Revenue, (B) after such transfer, the Connecticut state lottery conducted
213 by the corporation pursuant to sections 12-563a and 12-800 to 12-818,
214 inclusive, and section 12-853, (C) the state lottery referred to in
215 subsection (a) of section 53-278g, and (D) keno conducted by the
216 corporation pursuant to section 12-806c, or sections 12-851 and 12-853;
- 217 (7) "Keno" means a lottery game in which a subset of numbers are
218 drawn from a larger field of numbers by a central computer system
219 using an approved random number generator, wheel system device or
220 other drawing device;
- 221 (8) "Lottery and gaming fund" means a fund or funds established by,
222 and under the management and control of, the corporation, into which
223 all lottery, sports wagering and fantasy contest revenues of the
224 corporation are deposited [, other than revenues derived from online
225 lottery ticket sales,] from which all payments and expenses of the
226 corporation are paid [, other than those payments and expenses related
227 to online lottery ticket sales,] and from which transfers to the General
228 Fund or the Connecticut Teachers' Retirement Fund Bonds Special
229 Capital Reserve Fund, established in section 10-183vv, are made
230 pursuant to section 12-812, as amended by this act; [, but "lottery and
231 gaming fund" does not include the online lottery ticket sales fund
232 established under section 12-853a;]
- 233 (9) "Online lottery ticket sales" means the sale of lottery tickets for
234 lottery draw games through the corporation's Internet web site, an
235 online service or a mobile application, pursuant to a license issued to the

236 corporation under section 12-853;

237 (10) "Online sports wagering" has the same meaning as provided in
238 section 12-850;

239 (11) "Operating revenue" means total revenue received from lottery
240 sales and sports wagering less all cancelled sales and amounts paid as
241 prizes but before payment or provision for payment of any other
242 expenses;

243 (12) "Retail sports wagering" has the same meaning as provided in
244 section 12-850; and

245 (13) "Skin" has the same meaning as provided in section 12-850.

246 Sec. 7. Subsection (a) of section 12-806 of the general statutes is
247 repealed and the following is substituted in lieu thereof (*Effective July 1,*
248 *2023*):

249 (a) The purposes of the corporation shall be to: (1) Operate and
250 manage the lottery, and retail sports wagering, online sports wagering
251 and fantasy contests if licensed pursuant to section 12-853, in an
252 entrepreneurial and business-like manner free from the budgetary and
253 other constraints that affect state agencies; (2) provide continuing and
254 increased revenue to the people of the state through the lottery, and
255 retail sports wagering, online sports wagering and fantasy contests if
256 licensed pursuant to section 12-853, by being responsive to market
257 forces and acting generally as a corporation engaged in entrepreneurial
258 pursuits; (3) pay to the trustee of the Connecticut Teachers' Retirement
259 Fund Bonds Special Capital Reserve Fund, established in section 10-
260 183vv, the amounts, if any, required pursuant to subsection (c) of section
261 12-812, as amended by this act; [(4) transfer to the debt-free community
262 college account, established pursuant to section 10-174a, the amounts
263 required by subsection (d) of section 12-812; and (5)] and (4) ensure that
264 the lottery, and retail sports wagering, online sports wagering and
265 fantasy contests, if licensed pursuant to section 12-853, continue to be
266 operated with integrity and for the public good.

267 Sec. 8. Section 12-812 of the general statutes is repealed and the
268 following is substituted in lieu thereof (*Effective July 1, 2023*):

269 (a) (1) The president of the corporation, subject to the direction of the
270 board, shall conduct daily, weekly, multistate, special instant or other
271 lottery games and shall determine the number of times a lottery shall be
272 held each year, the form and price of the tickets and the aggregate
273 amount of prizes, which shall not be less than forty-five per cent of the
274 sales unless required by the terms of any agreement entered into for the
275 conduct of multistate lottery games. The proceeds of the sale of tickets
276 [, other than from online lottery ticket sales,] shall be deposited in the
277 lottery and gaming fund of the corporation from which prizes shall be
278 paid, upon vouchers signed by the president, or by either of two persons
279 designated and authorized by him, in such numbers and amounts as the
280 president determines. The corporation may limit its liability in games
281 with fixed payouts and may cause a cessation of sales of tickets of certain
282 designation when such liability limit has been reached.

283 (2) The president of the corporation, subject to the direction of the
284 board, shall conduct retail sports wagering, online sports wagering and
285 fantasy contests, if licensed to do so pursuant to section 12-853. The
286 proceeds of such wagering and contest activities shall be deposited in
287 the lottery and gaming fund of the corporation from which winnings
288 shall be paid and from which the payments required by sections 12-867
289 and 12-868 shall be made.

290 (b) The president, subject to the direction of the board, may enter into
291 agreements for the sale of product advertising on lottery tickets, play
292 slips and other lottery media.

293 (c) On a weekly basis, the president shall estimate, and certify to the
294 State Treasurer, that portion of the balance in the lottery and gaming
295 fund which exceeds the current needs of the corporation for the
296 payment of prizes and winnings, the payments required by sections 12-
297 867 and 12-868, the payment of current operating expenses and funding
298 of approved reserves of the corporation. The corporation shall transfer
299 the amount so certified from the lottery and gaming fund of the

300 corporation to the General Fund upon notification of receipt of such
301 certification by the Treasurer, except that if the amount on deposit in the
302 Connecticut Teachers' Retirement Fund Bonds Special Capital Reserve
303 Fund, established in section 10-183vv, is less than the required
304 minimum capital reserve, as defined in subsection (b) of said section,
305 the corporation shall pay such amount so certified to the trustee of the
306 fund for deposit in the fund. If the corporation transfers any moneys to
307 the General Fund at any time when the amount on deposit in said capital
308 reserve fund is less than the required minimum capital reserve, the
309 amount of such transfer shall be deemed appropriated from the General
310 Fund to the Connecticut Teachers' Retirement Fund Bonds Special
311 Capital Reserve Fund.

312 [(d) The proceeds of online lottery ticket sales shall be deposited in
313 the online lottery ticket sales fund of the corporation established
314 pursuant to section 12-853a. On a weekly basis, the president shall
315 estimate, and certify to the State Treasurer, that portion of the balance
316 in such fund which exceeds the current needs of the corporation for the
317 payment of prizes, the payment of current operating expenses and
318 funding of approved reserves of the corporation related to online lottery
319 ticket sales. For the fiscal years ending June 30, 2022, and June 30, 2023,
320 upon notification of receipt of such certification by the State Treasurer,
321 the corporation shall transfer the amount so certified to the General
322 Fund. For the fiscal year ending June 30, 2024, and each fiscal year
323 thereafter, the corporation shall, upon notification of receipt of such
324 certification by the State Treasurer, (1) transfer the amount so certified
325 to the debt-free community college account established pursuant to
326 section 10a-174a, until the corporation has transferred a total of fourteen
327 million dollars in a fiscal year to said account, and (2) transfer any
328 amount remaining after the transfers required by subdivision (1) of this
329 subsection to the General Fund.]

330 [(e)] (d) On a monthly basis, the president shall estimate and certify
331 to the Secretary of the Office of Policy and Management, the amount
332 that the corporation transferred to the General Fund, pursuant to
333 subsection (c) of this section and section 12-867, that was from the

334 proceeds of retail sports wagering at a retail sports wagering facility at
335 the XL Center in Hartford that exceeds the payment of prizes and
336 winnings, the payment of any federal excise taxes applicable to such
337 sums received, the payment of current operating expenses and the
338 funding of approved reserves of the corporation.

339 Sec. 9. Section 4-66k of the general statutes is repealed and the
340 following is substituted in lieu thereof (*Effective July 1, 2023*):

341 (a) There is established an account to be known as the "regional
342 planning incentive account" which shall be a separate, nonlapsing
343 account within the General Fund. The account shall contain any moneys
344 required by law to be deposited in the account. [Except as provided in
345 subsection (e) of this section, moneys] Moneys in the account shall be
346 expended by the Secretary of the Office of Policy and Management for
347 the purposes of first providing funding to regional planning
348 organizations in accordance with the provisions of [subsections (b), (c)
349 and (d) of] this section and then to providing grants under the regional
350 performance incentive program established pursuant to section 4-124s.

351 (b) For the fiscal year ending June 30, 2014, funds from the regional
352 planning incentive account shall be distributed to each regional
353 planning organization, as defined in section 4-124i of the general
354 statutes, revision of 1958, revised to January 1, 2013, in the amount of
355 one hundred twenty-five thousand dollars. Any regional council of
356 governments that is comprised of any two or more regional planning
357 organizations that voluntarily consolidate on or before December 31,
358 2013, shall receive an additional payment in an amount equal to the
359 amount the regional planning organizations would have received if
360 such regional planning organizations had not voluntarily consolidated.

361 (c) For the fiscal years ending June 30, 2015, to June 30, 2021, inclusive,
362 funds from the regional planning incentive account shall be distributed
363 to each regional council of governments formed pursuant to section 4-
364 124j, in the amount of one hundred twenty-five thousand dollars plus
365 fifty cents per capita, using population information from the most recent
366 federal decennial census. Any regional council of governments that is

367 comprised of any two or more regional planning organizations, as
368 defined in section 4-124i of the general statutes, revision of 1958, revised
369 to January 1, 2013, that voluntarily consolidated on or before December
370 31, 2013, shall receive a payment in the amount of one hundred twenty-
371 five thousand dollars for each such regional planning organization that
372 voluntarily consolidated on or before said date.

373 (d) (1) For the fiscal year ending June 30, 2022, and each fiscal year
374 thereafter, funds from the regional planning incentive account shall be
375 distributed to each regional council of governments formed pursuant to
376 section 4-124j, in the amount of one hundred eighty-five thousand five
377 hundred dollars plus sixty-eight cents per capita, using population
378 information from the most recent federal decennial census.

379 (2) Not later than July 1, 2021, and annually thereafter, each regional
380 council of governments shall submit to the secretary a proposal for
381 expenditure of the funds described in subdivision (1) of this subsection.
382 Such proposal may include, but need not be limited to, a description of
383 (A) functions, activities or services currently performed by the state or
384 municipalities that may be provided in a more efficient, cost-effective,
385 responsive or higher quality manner by such council, a regional
386 educational service center or similar regional entity; (B) anticipated cost
387 savings relating to the sharing of government services, including, but
388 not limited to, joint purchasing; (C) the standardization and alignment
389 of various regions of the state; or (D) any other initiatives that may
390 facilitate the delivery of services to the public in a more efficient, cost-
391 effective, responsive or higher quality manner.

392 [(e) There is established a regionalization subaccount within the
393 regional planning incentive account. If the Connecticut Lottery
394 Corporation offers online its existing lottery draw games through the
395 corporation's Internet web site, online service or mobile application, and
396 after any payment to the Connecticut Teachers' Retirement Fund Bonds
397 Special Capital Reserve Fund required pursuant to section 12-812, the
398 revenue from such online offering that exceeds an amount equivalent to
399 the costs of the debt-free community college program under section 10a-

400 174 shall be transferred to the subaccount, or, if such online offering is
401 not established, the amount provided under subsection (b) of section 364
402 of public act 19-117 for regionalization initiatives shall be deposited in
403 the subaccount. Moneys in the subaccount shall be expended only for
404 the purposes recommended by the task force established under section
405 4-66s.]

406 Sec. 10. Subsection (i) of section 32-602 of the general statutes is
407 repealed and the following is substituted in lieu thereof (*Effective July 1,*
408 *2023*):

409 (i) The Secretary of the Office of Policy and Management, on behalf
410 of the state, shall enter into an agreement with the authority concerning
411 the proceeds of the operation of retail sports wagering at the XL Center
412 in Hartford. Notwithstanding any funds that may be appropriated to
413 the authority for the operation of the XL Center in Hartford, any such
414 agreement shall provide that the state shall distribute to the authority a
415 sum equal to the amount certified pursuant to subsection [(e)] (d) of
416 section 12-812, as amended by this act, for the operation of the XL Center
417 in Hartford. The Office of Policy and Management shall distribute such
418 sums to the authority on a quarterly basis and in such manner as
419 specified in the agreement, and the authority shall use such sums for the
420 operation of the XL Center in Hartford.

421 Sec. 11. Subsection (l) of section 10a-34 of the general statutes is
422 repealed and the following is substituted in lieu thereof (*Effective July 1,*
423 *2023*):

424 (l) Notwithstanding the provisions of subsections (b) to (j), inclusive,
425 of this section and subject to the authority of the State Board of
426 Education to regulate teacher education programs, an independent
427 institution of higher education, as defined in section 10a-173, shall not
428 require approval by the Office of Higher Education for any new
429 programs of higher learning or any program modifications proposed by
430 such institution, [until June 30, 2023, and for up to fifteen new programs
431 of higher learning in any academic year or any program modifications
432 proposed by such institution on and after July 1, 2023,] provided (1) the

433 institution maintains eligibility to participate in financial aid programs
434 governed by Title IV, Part B of the Higher Education Act of 1965, as
435 amended from time to time, (2) the United States Department of
436 Education has not determined that the institution has a financial
437 responsibility score that is less than 1.5 for the most recent fiscal year for
438 which the data necessary for determining the score is available, and (3)
439 the institution has been located in the state and accredited as a degree-
440 granting institution in good standing for ten years or more by a regional
441 accrediting association recognized by the Secretary of the United States
442 Department of Education and maintains such accreditation status.
443 [Each] Not later than July 1, 2024, and annually thereafter, each
444 institution that is exempt from program approval by the Office of
445 Higher Education under this subsection shall file with the office [(A) on
446 and after July 1, 2023, an application for approval of any new program
447 of higher learning in excess of fifteen new programs in any academic
448 year, (B) a program actions form, as created by the office, prior to
449 students enrolling in any new program of higher learning or any
450 existing program subject to a program modification, and (C) not later
451 than July first, and annually thereafter, (i) until June 30, 2024, a list and
452 brief description of any new programs of higher learning introduced by
453 the institution in the preceding academic year and any existing
454 programs of higher learning discontinued by the institution in the
455 preceding academic year, (ii)] (A) an updated list of programs of higher
456 learning or other credential, as defined in section 10a-35b, offered by the
457 institution, (B) the institution's current program approval process and
458 all actions of the governing board concerning approval of any new
459 program of higher learning, and [(iii)] (C) the institution's financial
460 responsibility composite score, as determined by the United States
461 Department of Education, for the most recent fiscal year for which the
462 data necessary for determining the score is available.

463 Sec. 12. Sections 3-123i, 3-123k, 4-66s, 10a-174a and 12-853a of the
464 general statutes are repealed. (*Effective July 1, 2023*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2023</i>	10a-11
Sec. 2	<i>July 1, 2023</i>	10a-11b(c)
Sec. 3	<i>July 1, 2023</i>	New section
Sec. 4	<i>July 1, 2023</i>	10a-44d
Sec. 5	<i>July 1, 2023</i>	New section
Sec. 6	<i>July 1, 2023</i>	12-801
Sec. 7	<i>July 1, 2023</i>	12-806(a)
Sec. 8	<i>July 1, 2023</i>	12-812
Sec. 9	<i>July 1, 2023</i>	4-66k
Sec. 10	<i>July 1, 2023</i>	32-602(i)
Sec. 11	<i>July 1, 2023</i>	10a-34(l)
Sec. 12	<i>July 1, 2023</i>	Repealer section

HED *Joint Favorable Subst.*

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.

OFA Fiscal Note

State Impact: See Below

Municipal Impact: None

Explanation

Sections 1 and 2 eliminate an affirmative action plan requirement for the Office of Higher Education and make various other conforming changes that do not have a fiscal impact.

Section 3 makes procedural changes to the Board of Regents for Higher Education (BOR) regarding the sale of surplus property. The bill requires BOR to use the proceeds from any of these transactions to pay (1) outstanding bonds or other debt associated with the property or improvements, (2) any costs associated with the transaction, and (3) any capital expenditure consistent with BOR's campus improvement plan.

To the extent surplus property is sold, this results in a potential cost reduction to future debt service, either from paying off existing debt or using sale revenue towards future capital projects that would have otherwise required a new bond sale. The potential reduced debt service would be attributed to either the General Fund or the resources of BOR, dependent on whether the properties being sold and/or improved were financed using General Obligation (GO) bonds or BOR's own revenue bonds, or some combination thereof. The amount of the potential debt service reduction is unknown, as it relies on future decisions of both BOR and the Office of Policy and Management.

Section 4 transfers the Open Educational Resource Coordinating Council from the Office of Higher Education (OHE) to the Connecticut

State Colleges and Universities (CSCU) and does not result in a fiscal impact.

Section 5 reallocates funding for constituent units of the state system of higher education beginning in FY 24, resulting in a net neutral funding policy. Under current practice, the State Comptroller-Fringe Benefits account covers all the fringe benefit costs for employees on the block grants, and the higher education units cover all the fringe benefit costs for employees not on the block grants. Under the proposed policy, the State Comptroller will be responsible for all retirement costs while the constituent units will be responsible for group life insurance, medical costs of active employees, unemployment compensations, and Social Security tax. The section results in no fiscal impact to the state due to the net neutral adjustment of block grants and fringe benefit expenses.

Sections 6-10 & 12 eliminate the diversion of iLottery revenues to the debt-free community college program, resulting in a General Fund revenue gain of \$2 million in FY 24 and \$3 million in FY 25. This results in a corresponding revenue loss to the community colleges, as they would have otherwise received the funding to help offset the costs of the debt-free community college program.

Section 11 makes current practice permanent for various OHE program approval exemptions and does not result in a fiscal impact.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation and the terms of any future property sale and bonds issued. The General Fund revenue gain from the elimination of the debt-free community college revenue diversion is projected to increase to \$14 million by FY 28.

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

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- 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)