

OFFICE OF FISCAL ANALYSIS

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sHB-6901

AN ACT CONCERNING A STUDENT LOAN REIMBURSEMENT PROGRAM.

As Amended by House "A" (LCO 8915)

House Calendar No.: 502

Senate Calendar No.: 588

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$
Higher Ed., Off.	GF - Cost	Significant	Significant
Higher Ed., Off.	GF - Cost	Up to 140,000	92,250
State Comptroller - Fringe Benefits ¹	GF - Cost	38,538	39,501
Department of Revenue Services	GF - Cost	None	Up to 75,000

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill results in a cost to the Office of Higher Education, the State Comptroller (Fringe Benefits) and the Department of Revenue Services, associated with establishing a student loan reimbursement program for certain individuals employed in Connecticut.

Section 1 results in a significant annual cost to the Office of Higher Education (OHE) beginning in FY 24 associated with a student loan reimbursement program for certain Connecticut residents. OHE does not currently have the funds available to operate this program. The scope of the costs is dependent upon the number and amount of

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 42.82% of payroll in FY 24.

reimbursements awarded annually. Each participant in the grant program is eligible to receive up to \$5,000 annually and no more than \$20,000, over four years of participation in the program.

OHE would require one full-time program administrator in FY 24 and beyond, resulting in annual salary expenses of approximately \$90,000 in FY 24 and \$92,250 in FY 25 and corresponding fringe benefit costs of approximately \$38,538 in FY 24 and \$39,501 in FY 25. Additionally, OHE would require up to \$50,000 in FY 24, associated with software and information technology upgrades.

Section 2 results in a one-time cost of up to \$75,000 in FY 25 for programming updates to the CTax tax administration system and myconneCT online portal, and for form development associated with the student loan reimbursement program established in **Section 1** of the bill.

House "A" strikes the underlying bill as its associated fiscal impact and replaces it with the fiscal impact described above.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation and the number of grant awards administered.

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.