OFFICE OF FISCAL ANALYSIS
Legislative Office Building, Room 5200
Hartford, CT 06106 ◇ (860) 240-0200
http://www.cga.ct.gov/ofa

sSB-8
AN ACT CONCERNING HIGHER EDUCATION AFFORDABILITY AND GRADUATE RETENTION.
As Amended by Senate "A" (LCO 8705)
House Calendar No.: 597
Senate Calendar No.: 104

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 24 $	FY 25 $
Board of Regents for Higher Education	Various - Cost	21.1 million	21.1 million
Higher Ed., Off.	GF - See Below	See Below	See Below
Public Institutions of Higher Education	Various - Revenue Gain	See Below	See Below

Note: Various=Various; GF=General Fund

Municipal Impact: None

Explanation

The bill makes changes to the debt free community college program, the Robert Willis Scholarship program, and higher education program approval, resulting in the fiscal impacts described below.

Section 1 makes changes to the debt free community college program, resulting in additional annual costs of approximately $21.1 million. The changes to the program include: 1) increasing the minimum grant, 2) removing the Connecticut high school graduation requirement, 3) eliminating that a student must be continuously enrolled in college in order to qualify, and 4) removing the requirement that it is a student's first semester in college. These changes result in additional students being eligible for the program and increased annual costs. The table below provides the increased costs for the expansion. If additional

General Fund funding is not provided, it is anticipated the community colleges would cap grant expenditures at available funding based on past practice.

Increase Minimum Grant	$4.6 million
Remove CT High School Graduation Requirement	$4.0 million
Remove Continuous Enrollment	$8.0 million
Remove First Time in College	$4.5 million
Total	**$21.1 million**

Section 2 makes various changes to the Roberta Willis Scholarship program within the Office of Higher Education, including eliminating the community colleges from the program. This could result in a revenue loss to the community colleges beginning in FY 24 as their students would no longer be eligible for financial aid grants under this program and consequently may choose to enroll elsewhere or not at all. Additionally, the bill requires that in FY 24, any ARPA funds designated for this program must be spent before any appropriated dollars. Section 2 also establishes a cap of $10 million dollars or 30 percent of the annual appropriation (whichever is greater) to be reserved for the need merit portion of the program. This could result in a redistribution of financial aid funds among various eligible institutions, including the Connecticut state universities and UConn.

Section 3 prevents any unused Roberta Willis Scholarship funds from lapsing beginning in FY 24, which could result in a revenue increase to various eligible intuitions, as unused funds will not lapse but will be reallocated to institutions.

Section 4 makes various procedural changes regarding (1) program approval and modifications, and (2) what is required of programs that are exempt from such approval. These changes are not anticipated to result in a fiscal impact.

Senate "A" strikes the underlying bill and 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 participation in the debt free community college program.