

Higher Education and Employment Advancement Committee

JOINT FAVORABLE REPORT

Bill No.: SB-982

AN ACT IMPLEMENTING THE GOVERNOR'S BUDGET RECOMMENDATIONS

Title: CONCERNING HIGHER EDUCATION.

Vote Date: 3/7/2023

Vote Action: Joint Favorable Substitute

PH Date: 3/2/2023

File No.: 193

Disclaimer: *The following JOINT FAVORABLE Report is prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose.*

SPONSORS OF BILL:

The Higher Education and Employment Advancement Committee
The Governor, Ned Lamont, Pursuant to Joint Rule 9

REASONS FOR BILL:

The bill outlines several changes that will have an impact on Connecticut's public institutions of higher education. First, *the Comptroller will be required to cover all retirement-related fringe benefit costs for employees of constituent units of the state higher education system, which includes UConn and the Connecticut State Colleges and Universities (CSCUs).* However, the constituent units will be responsible for funding employee health and life insurance, unemployment compensation, and employers' social security tax. This shift is intended to reduce legacy costs associated with fringe benefit funding. Second, *the bill eliminates the diversion of online lottery sales revenue to fund the state's debt-free community college program ("Pledge to Advance CT" or PACT).* Instead, the PACT program will have a dedicated line-item funding in the budget to provide a consistent and permanent source of funding. Third, *the requirement for the Office of Higher Education (OHE) to maintain a racial and ethnic diversity plan for the state's higher education institutions is eliminated.* The bill adds similar provisions into the existing OHE minority advancement program to ensure consistency in the discharge of the program. Fourth, *the bill 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.* This provision is intended to allow greater flexibility for the CSCUs to redevelop campuses and previously used buildings to adapt to their needs. Fifth, *the Connecticut Open Educational Resource Coordinating Council is transferred from OHE to CSCU, and CSCU is required to appoint the council's chair and administrative staff.* This change is aimed at improving the ease of implementation of the council's recommendations and open resources generated by the council. Sixth, *the legislation makes permanent an*

existing exemption to OHE academic programming approval for certain independent schools and colleges. This exemption allows for flexibility in generating course options that meet the diverse and rapidly changing desires of their student bodies. Finally, *the bill repeals the regionalization task force and a related sub-account to fund its recommendations.*

SUBSTITUTE LANGUAGE:

Removal of Section 6 of the Governor's Bill, Section 6 proposed to combine the UConn and UConn Health budgets into one budget. UConn expressed concern that combining the budgets of both campuses may lead to circumstances where UConn is compelled or pressured to use funds generated by or intended for one institution to cover unrelated costs at another institution.

RESPONSE FROM ADMINISTRATION/AGENCY:

Connecticut State Colleges and Universities (CSCU), President, Terrance Cheng: supports this bill as they appreciate the proposal to separate funding for the PACT program from the iLottery program and to provide a dedicated line item for the program to ensure its solvency and increase transparency. It is stated that CSCU supports another provision in the bill allowing the Board of Regents to dispose of surplus real estate to fund capital projects authorized by the legislature. Additionally, it is stated the proposal to reduce fringe benefit rates would make CSCU more competitive for grants and research activities, but it is linked to the overall appropriation to the system.

University of Connecticut (UConn), Executive VP for Finance, Chief Financial Officer of UConn and UConn Health, Jeffrey Geoghegan:

Is supportive of proposals to address legacy costs on higher education institutions. However, it is stated that the proposed methodology may help stabilize fringe rates in the future, it cancels out any potential benefits to the budgets overall, as the proposal decreases block grants to cover the cost of implementation. It is also stated that UConn opposes Section 6 of the Governor's bill, which proposes to combine the UConn and UConn Health budgets into one budget, as it threatens to mandate the use of funds generated by one institution to fund unrelated costs at the other. UConn requests that UConn and UConn Health remain as two separate budgeted line items. Lastly, UConn expresses concern over Section 14, which repeals funding for fringe benefit cost differential regarding UConn Health's employees, as it may impact the clinical competitiveness and budgets at UConn Health. **The amended bill addresses the agencies concern about section 6.*

Office of Higher Education (OHE), Executive Director, Timothy D. Larson: supports this bill because it includes updates that reflect changes made when the OHE became an executive branch agency separate from the Board of Regents of Higher Education.

NATURE AND SOURCES OF SUPPORT:

Connecticut Business and Industry Association (CBIA), Public Policy Associate, Ashley Zane: supports this bill, specifically, which would permanently eliminate the Office of Higher Education's role in approving programs at independent nonprofit institutions of higher education. It was stated that nonprofit, private colleges that are regionally accredited and meet certain standards have been exempt from this approval process since 2016. It was also

stated that making this exemption permanent would allow independent schools to quickly develop new programs to meet industry needs and train incumbent workers, strengthening the workforce pipeline.

The following seven testimonies were submitted by representatives from Connecticut's Independent Colleges and Universities, expressing support for Section 12 of the bill which would make permanent the independent college exemption from academic program approval by the Office of Higher Education. They maintain that it is important for independent colleges to be provided flexibility in offering new programs, and that the exemption has no disadvantageous impacts on student outcomes:

[Albertus Magnus College, VP of Academic Affairs, Dr. Sean P. O'Connell - supports section 12](#)

[Connecticut Conference of Independent Colleges, President, Jennifer Widness - supports section 12](#)

[Fairfield University, President, Professor of Politics, Dr. Mark R. Nemec - supports section 12](#)

[Mitchell College, VP of Academic Affairs, Dean, Dr. Elizabeth Beaulieu - supports section 12](#)

[University of Hartford, Interim Provost, Katherine A. Black - supports section 12](#)

[University of New Haven, Interim Provost, VP for Academic Affairs, Dr. Nancy Ortins Savage - supports section 12](#)

[Sacred Heart University, Provost, Dr. Robin Cautin - supports section 12](#)

[Quinnipiac University, Provost, Debra Liebowitz - supports section 12](#)

NATURE AND SOURCES OF OPPOSITION:

[Eastern Connecticut State University \(ECSU\), Professor, Kim Chan](#): opposes this bill and is requesting an increase in the proposed budget for higher education. It is stated that the cost of education is increasing, and little investment is being made in faculty hiring, retention, and benefits. It is also stated that an investment in education is a long-term investment and allocating enough funds for quality education will pay off in the future as universities will be able to hire qualified full-time candidates and retain part-time faculty with a decent living if enough funds are allocated.

[James McGovern](#): opposes this bill because it needs to be expanded to ensure that religious diversity is represented in academic settings. It is stated that there exists a lack of professors or staff of the Muslim faith at the University of Connecticut, and he calls for greater representation. It is also suggested that professors be encouraged to create course materials under the Creative Commons license to reduce costs for students, and advocates for the illegality of mandating students to purchase books written by their professors.

[Western Connecticut State University \(WCSU\), Professor of Economics, Rotua](#)

[Lumbantobing](#): opposes this bill because it underfunds public colleges and universities in due to budgetary decisions that prioritize austerity and benefit a handful of billionaires and multimillionaires at the expense of working-class and middle-class families. It is stated that this approach is harming economic prosperity by underfunding the publicly funded institutions that drive it. It is also stated that the current state budget does not serve the interests of most constituents.

[Paul R. Petrie](#): opposes the governor's proposal to significantly cut funding for Connecticut State Colleges and Universities (CSCU) in 2024 and 2025, which is said to be aimed at making the institutions smaller. It is stated that the plan is based on a false assumption that a smaller population of college-aged students requires less spending on public higher education. Instead, shrinking enrollments increase the need for stable, predictable, and adequate state funding of public higher education. It is also stated the unprecedented needs of the current student body, that require more funding for smaller class sizes and support services. It is stated that if CSCU funding isn't increased significantly, a whole generation of Connecticut citizens and workers will be lost, damaging the state's economy and quality of life.

[Western Connecticut State University \(WCSU\), Student, Campbell Mitchell](#): opposes this bill because of concern about the scarce resources being allocated to Connecticut State Universities. It is stated there is an apparent contradiction between the demands for reductions in part-time faculty and an increase in full-time faculty, demands for increased student aid, additional administrative staff, outreach, childcare, housing assistance, and reproductive health services without a corresponding increase in funding for the state universities to meet these demands. It is stated they support administrative reforms and expanded services but believes that these investments cannot be made without spending money. It is also stated that Connecticut State Universities are cutting services and course offerings, and the Board of Regents' proposals centered on raising tuition and fees are not realistically workable solutions as they price vulnerable students out and drive potential students out of the state.

Reported by: Lukas Houle

Date: 3/27/2023