

Office of Higher Education

DHE66500

Position Summary

Account	Actual FY 13	Governor Estimated FY 14	Original Appropriation FY 15	Governor Revised FY 15	Legislative FY 15	Difference Leg-Gov FY 15
Permanent Full-Time - GF	15	21	21	21	27	6

Budget Summary

Account	Actual FY 13	Governor Estimated FY 14	Original Appropriation FY 15	Governor Revised FY 15	Legislative FY 15	Difference Leg-Gov FY 15
Personal Services	1,385,054	1,658,563	1,724,650	1,724,650	1,712,774	(11,876)
Other Expenses	122,031	106,911	106,911	106,911	105,586	(1,325)
Equipment	0	1	1	1	1	0
Other Current Expenses						
Minority Advancement Program	2,011,076	1,517,959	2,181,737	2,181,737	2,181,737	0
Alternate Route to Certification	81,016	85,892	92,840	92,840	92,840	0
National Service Act	0	315,289	325,210	325,210	325,210	0
International Initiatives	66,500	66,500	66,500	66,500	66,500	0
Minority Teacher Incentive Program	447,066	447,806	447,806	447,806	447,806	0
English Language Learner Scholarship	0	95,000	95,000	95,000	95,000	0
Other Than Payments to Local Governments						
Capitol Scholarship Program	5,109,562	0	0	0	0	0
Awards to Children of Deceased/ Disabled Veterans	0	3,800	3,800	3,800	3,800	0
Connecticut Independent College Student Grant	15,958,315	0	0	0	0	0
Connecticut Aid for Public College Students	24,224,999	0	0	0	0	0
Connecticut Aid to Charter Oak	56,424	0	0	0	0	0
Governor's Scholarship	0	42,011,398	43,623,498	43,623,498	42,023,498	(1,600,000)
Nonfunctional - Change to Accruals	0	30,010	10,889	13,849	13,109	(740)
Agency Total - General Fund	49,462,043	46,339,129	48,678,842	48,681,802	47,067,861	(1,613,941)
Additional Funds Available						
Carry Forward Funding	0	0	0	2,000,000	3,353,316	1,353,316
Agency Grand Total	49,462,043	46,339,129	48,678,842	50,681,802	50,421,177	(260,625)

Account	Governor Revised FY 15		Legislative FY 15		Difference from Governor	
	Pos.	\$	Pos.	\$	Pos.	\$

Current Services**Adjust Funding for Revised Estimated GAAP Requirements**

Nonfunctional - Change to Accruals	0	2,960	0	2,960	0	0
Total - General Fund	0	2,960	0	2,960	0	0

Background

Each agency's budget includes a line item account called "Nonfunctional - Change to Accruals." This line item represents the estimate of the difference between an agency's cash-basis budget amount and the accrual-basis amounts that will be reflected under Generally Accepted Accounting Principles (GAAP). These funds will not be available for spending; in the aggregate they will prevent the state's GAAP deficit from growing.

Governor

Provide funding of \$2,960 to reflect updated estimates of accruals to comply with GAAP. Across all appropriated funds, there is a net GAAP reduction of \$33.8 million.

Account	Governor Revised FY 15		Legislative FY 15		Difference from Governor	
	Pos.	\$	Pos.	\$	Pos.	\$

Legislative

Same as Governor

Increase Position Count

Personal Services	0	0	6	0	6	0
Total - General Fund	0	0	6	0	6	0

Legislative

Increase the FY 15 authorized position count by 6. This increase is maintaining the FY 14 current position count as a result of FAC 2014-27. On June 5, 2014, the Finance Advisory Committee approved FAC 2014-27 which increased the agency' position count in FY 14 by 6, from 21 to 27 permanent full-time positions. The increased position count was due to the prior reorganization of the Higher Education agency that was left with several federal funded vacancies, whereas the programmatic functions that these positions supported were transferred to the Board of Regents. Funding in FY 15 is sufficient to support the revised position count.

Policy Revisions**Reduce Funding for Governor's Scholarship**

Governor's Scholarship	0	0	0	(1,600,000)	0	(1,600,000)
Total - General Fund	0	0	0	(1,600,000)	0	(1,600,000)

Legislative

Reduce funding for the Governor's Scholarship Program by \$1.6 million. Funding of a corresponding amount is transferred from the Connecticut Student Loan Foundation (see the write-up further below for details).

Distribute Lapses

Personal Services	0	0	0	(11,876)	0	(11,876)
Other Expenses	0	0	0	(1,325)	0	(1,325)
Total - General Fund	0	0	0	(13,201)	0	(13,201)

Background

The Governor's Revised FY 15 budget included a bottom line General Lapse of \$14,243,700, a General Other Expenses Lapse of \$4,000,000, and a Statewide Hiring Reduction Lapse of \$6,796,754. These lapse amounts would have been determined and distributed to agencies by OPM at the beginning of FY 15.

Legislative

Reduce funding by \$7,440 to reflect distribution of the General Lapse, \$876 for the General Other Expense Lapse, and \$4,885 for the Statewide Hiring Reduction Lapse.

Adjust Funding for GAAP

Nonfunctional - Change to Accruals	0	0	0	(740)	0	(740)
Total - General Fund	0	0	0	(740)	0	(740)

Legislative

Adjust funding by \$740 in FY 15 to reflect changes to GAAP accruals as a result of policy changes.

Transfer Funds from the CT Student Loan Foundation**Legislative**

Section 19(c) of PA 14-47 transfers \$1.6 million from the Connecticut Student Loan Foundation into the Governor's Scholarship program within the Office of Higher Education. Section 1 of PA 14-47 includes an off-setting reduction in the Governor's Scholarship account in an equal amount. The Connecticut Student Loan Foundation is a non-profit corporation that administers loans within the Federal Family Education Loan Program (FFELP) and alternative student loan programs. The loans made or acquired by CSLF were financed through the issuance of bonds that are secured by the revenues received from such loans.

Account	Governor Revised FY 15		Legislative FY 15		Difference from Governor	
	Pos.	\$	Pos.	\$	Pos.	\$

Carry Forward

Carry Forward Funding for the Governor's Scholarship Program

Governor's Scholarship	0	2,000,000	0	0	0	(2,000,000)
Total - Carry Forward Funding	0	2,000,000	0	0	0	(2,000,000)

Background

PA 13-247 established the Governor's Scholarship program as a single, consolidated state financial aid program for Connecticut residents who are undergraduates at in-state public and private higher education institutions. The program replaces the state's previous undergraduate student aid programs: Connecticut Aid to Public College Students (CAPCS), Connecticut Independent College Student Grant (CICSG), the Capitol Scholarship, and Connecticut Aid to Charter Oak.

The act limits eligibility for the Governor's Scholarship to Connecticut residents enrolled in at least six semester credit hours and pursuing their first associate or bachelor degree. It establishes four award categories: a (1) need and merit-based award, (2) need-based award, (3) performance incentive pool, and (4) Charter Oak Grant. The act specifies how the appropriation for the program must be allocated across these categories and establishes reporting and audit requirements for the program. The budget included \$42 million in FY 14 to support the new financial aid system.

Governor

Section 10 of HB 5030, the Governor's FY 15 Revised Budget, carries forward \$2 million from FY 14 into FY 15 for the Governor's Scholarship. Of this total, \$1,313,462 is carried forward from the Department of Housing's Tax Relief for the Elderly and transferred to the Office of Higher Education's Governor's Scholarship. The remaining \$686,538 is carried forward from OHE's Minority Advancement account and transferred to the Governor's Scholarship.

Legislative

Carry forward funding is not provided for the Governor's Scholarship.

Carry Forward for Financial Assistance

Governor's Scholarship	0	0	0	2,490,064	0	2,490,064
Total - Carry Forward Funding	0	0	0	2,490,064	0	2,490,064

Legislative

Pursuant to CGS 4-89(f) \$2,490,064 is carried forward from FY 14 into FY 15 for the Governor's Scholarship Program, for purposes of student financial assistance.

Carry Forward for Minority Advancement

Minority Advancement Program	0	0	0	863,252	0	863,252
Total - Carry Forward Funding	0	0	0	863,252	0	863,252

Legislative

Pursuant to CGS 4-89(f), \$863,252 is carried forward from FY 14 into FY 15 for purposes of the program. It should be noted that pursuant to Section 39 of PA 14-47, the FY 15 Revised Budget, an additional \$686,538 in FY 14 funding shall lapse and not be carried forward.

Totals

Budget Components	Governor Revised FY 15		Legislative FY 15		Difference from Governor	
	Pos.	\$	Pos.	\$	Pos.	\$
Original Appropriation - GF	21	48,678,842	21	48,678,842	0	0
Current Services	0	2,960	6	2,960	6	0
Policy Revisions	0	0	0	(1,613,941)	0	(1,613,941)
Total Recommended - GF	21	48,681,802	27	47,067,861	6	(1,613,941)

Other Significant Legislation

PA 14-47, An Act Making Adjustments to State Expenditures and Revenues for the Fiscal Year Ending June 30, 2015

Sections 30 and 31 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 15 appropriation levels will be reduced by the amounts shown in the table to achieve the lapses included in PA 14-47. This includes a General Lapse of \$6,144 and a Statewide Hiring Reduction Lapse of \$8,340. See the FY 15 Holdbacks schedule in Section VI of this document for a further description of these statewide savings targets.

Account	Appropriation \$	Reduction Amount \$	Net Remaining \$	% Reduction
Personal Services	1,712,774	(14,484)	1,698,290	0.85%