



House of Representatives

General Assembly

File No. 145

January Session, 2021

House Bill No. 5545

House of Representatives, March 29, 2021

The Committee on Higher Education and Employment Advancement reported through REP. ELLIOTT of the 88th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING THE BUDGET OF THE CONNECTICUT STATE COLLEGES AND UNIVERSITIES.

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

1 Section 1. Section 10a-8 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2021*):

3 (a) The provisions of sections 4-77 and 4-78 shall not apply to the
4 constituent units of the state system of higher education, and for the
5 purposes of said sections only, the Board of Regents for Higher
6 Education shall be deemed the budgeted agency for the Connecticut
7 State University System, the regional community-technical college
8 system, [and] Charter Oak State College and the central office of the
9 Connecticut State Colleges and Universities. The Board of Regents for
10 Higher Education shall develop a formula or program-based budgeting
11 system to be used by each institution in preparing operating budgets.
12 The Board of Regents for Higher Education shall prepare a single
13 budget request itemized by the Connecticut State University System, the

14 regional community-technical college system, [and] Charter Oak State
15 College and the central office of the Connecticut State Colleges and
16 Universities using the formula or program-based budgeting system and
17 shall submit such budget request displaying all operating funds to the
18 Secretary of the Office of Policy and Management in accordance with
19 sections 4-77 and 4-78, subject to procedures developed by the Board of
20 Regents for Higher Education and approved by said secretary. The
21 budget request shall set forth, in the form prescribed by the Board of
22 Regents for Higher Education, a proposed expenditure plan which shall
23 include: (1) The total amount requested for such appropriation account;
24 (2) the amount to be appropriated from the General Fund; and (3) the
25 amount to be paid from the tuition revenues of the regional community-
26 technical college system, [and] the Connecticut State University System
27 and Charter Oak State College. After review and comment by the Board
28 of Regents for Higher Education, the proposed expenditure plans shall
29 be incorporated into the single public higher education budget request
30 including recommendations, if any, by said board. Any tuition increase
31 proposed by the regional community-technical college system, [and] the
32 Connecticut State University System and Charter Oak State College for
33 the fiscal year to which the budget request relates shall be included in
34 the single public higher education budget request submitted by the
35 Board of Regents for Higher Education for such fiscal year, provided if
36 the General Assembly does not appropriate the amount requested by
37 any such system or college, such system or college may increase tuition
38 and fees by an amount greater than that included in the budget request
39 in response to which the appropriation was made. The General
40 Assembly shall make appropriations directly to the constituent units.
41 Allotment reductions made pursuant to the provisions of subsections
42 (b) and (c) of section 4-85 shall be applied by the Board of Regents for
43 Higher Education among the appropriations to the constituent units and
44 the central office without regard to the limitations on reductions
45 provided in said section, except that said limitations shall apply to the
46 total of the amounts appropriated. The Board of Regents for Higher
47 Education shall apply such reductions after consultation with the
48 Secretary of the Office of Policy and Management. Any reductions of

49 more than five per cent of the appropriations of any constituent units
50 shall be submitted to the appropriations committee which shall, within
51 thirty days, approve or reject such reduction.

52 (b) The boards of trustees of each of the constituent units may transfer
53 to or from any specific appropriation of such constituent unit a sum or
54 sums totaling up to fifty thousand dollars or ten per cent of any such
55 specific appropriation, whichever is less, in any fiscal year without the
56 consent of the Finance Advisory Committee. Any such transfer shall be
57 reported to the Finance Advisory Committee within thirty days of such
58 transfer and such report shall be a record of said committee.

59 Sec. 2. Subsection (b) of section 10a-77 of the general statutes is
60 repealed and the following is substituted in lieu thereof (*Effective July 1,*
61 *2021*):

62 (b) The Board of [Trustees of the Community-Technical Colleges]
63 Regents for Higher Education shall establish and administer a fund to
64 be known as the Regional Community-Technical Colleges Operating
65 Fund. Appropriations from general revenues of the state and, upon
66 request by the board and with an annual review and approval by the
67 Secretary of the Office of Policy and Management, the amount of the
68 appropriations for fringe benefits and workers' compensation
69 applicable to the regional community-technical colleges pursuant to
70 subsection (a) of section 4-73, shall be transferred from the Comptroller,
71 and all tuition revenue received by the regional community-technical
72 colleges in accordance with the provisions of subsection (a) of this
73 section shall be deposited in said fund. Income from student fees or
74 related charges; the proceeds of auxiliary activities and business
75 enterprises, gifts and donations; federal funds and grants for purposes
76 other than research, and all receipts derived from the conduct by the
77 colleges of their education extension programs and summer school
78 sessions shall be credited to said fund but shall be allocated to the central
79 office and institutional operating accounts which shall be established
80 and maintained for the central office and each community-technical
81 college. If the Secretary of the Office of Policy and Management

82 disapproves such transfer, the secretary may require the amount of the
83 appropriation for operating expenses to be used for personal services
84 and fringe benefits to be excluded from said fund. The State Treasurer
85 shall review and approve the transfer prior to such request by the board,
86 [of trustees.] The board shall establish an equitable policy, in accordance
87 with section 10a-8, as amended by this act, for allocation of
88 appropriations from general revenues of the state, fringe benefits
89 transferred from the Comptroller and tuition revenue deposited in the
90 Regional Community-Technical Colleges Operating Fund. At the
91 beginning of each quarter of the fiscal year, the board shall allocate and
92 transfer, in accordance with said policy, moneys for expenditure in such
93 institutional operating accounts, exclusive of amounts retained for
94 central office operations and reasonable reserves for future distribution.
95 All costs of waiving or remitting tuition pursuant to subsection (f) of this
96 section shall be charged to the Regional Community-Technical Colleges
97 Operating Fund. Repairs, alterations or additions to facilities supported
98 by operating funds and costing one million dollars or more shall require
99 the approval of the General Assembly, or when the General Assembly
100 is not in session, of the Finance Advisory Committee. Any balance of
101 receipts above expenditures shall remain in said fund, except such sums
102 as may be required for deposit into a debt service fund or the General
103 Fund for further payment by the Treasurer of debt service on general
104 obligation bonds of the state issued for purposes of the regional
105 community-technical colleges.

106 Sec. 3. Subsection (b) of section 10a-99 of the general statutes is
107 repealed and the following is substituted in lieu thereof (*Effective July 1,*
108 *2021*):

109 (b) The Board of [Trustees of the Connecticut State University
110 System] Regents for Higher Education shall establish and administer a
111 fund to be known as the Connecticut State University System Operating
112 Fund. Appropriations from general revenues of the state and upon
113 request by the Connecticut State University System and with the annual
114 review and approval by the Secretary of the Office of Policy and
115 Management, the amount of the appropriations for fringe benefits

116 pursuant to subsection (a) of section 4-73, shall be transferred from the
117 State Comptroller and all tuition revenue received by the Connecticut
118 State University System in accordance with the provisions of subsection
119 (a) of this section shall be deposited in said fund. Income from student
120 fees or related charges, the proceeds of auxiliary activities and business
121 enterprises, gifts and donations, federal funds and grants, subject to the
122 provisions of sections 10a-98 to 10a-98g, inclusive, and all receipts
123 derived from the conduct by a state university of its education extension
124 program and its summer school session shall be credited to said fund
125 but shall be allocated to the central office and institutional operating
126 accounts which shall be established and maintained for the central office
127 and each state university. Any such gifts and donations, federal funds
128 and grants for purposes of research shall be allocated to separate
129 accounts within such central office and institutional operating accounts.
130 If the Secretary of the Office of Policy and Management disapproves
131 such transfer, [he] the secretary may require the amount of the
132 appropriation for operating expenses to be used for personal services
133 and fringe benefits to be excluded from said fund. The State Treasurer
134 shall review and approve the transfer prior to such request by the
135 university. The board [of trustees] shall establish an equitable policy, in
136 accordance with section 10a-8, as amended by this act, for allocation of
137 appropriations from general revenues of the state, fringe benefits
138 transferred from the State Comptroller and tuition revenue deposited in
139 the Connecticut State University System Operating Fund. At the
140 beginning of each quarter of the fiscal year, the board shall allocate and
141 transfer, in accordance with said policy, moneys for expenditure in such
142 institutional operating accounts, exclusive of amounts retained for
143 central office operations and reasonable reserves for future distribution.
144 All costs of waiving or remitting tuition pursuant to subsection (f) of this
145 section shall be charged to the Connecticut State University System
146 Operating Fund. Repairs, alterations or additions to facilities supported
147 by the Connecticut State University System Operating Fund and costing
148 one million dollars or more shall require the approval of the General
149 Assembly, or when the General Assembly is not in session, of the
150 Finance Advisory Committee. Any balance of receipts above

151 expenditures shall remain in said fund, except such sums as may be
152 required for deposit into a debt service fund or the General Fund for
153 further payment by the Treasurer of debt service on general obligation
154 bonds of the state issued for purposes of the Connecticut State
155 University System.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2021</i>	10a-8
Sec. 2	<i>July 1, 2021</i>	10a-77(b)
Sec. 3	<i>July 1, 2021</i>	10a-99(b)

HED *Joint Favorable*

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: None

Municipal Impact: None

Explanation

The bill results in no fiscal impact as it makes procedural, technical, and conforming changes to statutes involving the Board of Regents (BOR). Among other changes, the bill requires the BOR to include the Connecticut State Colleges and Universities (CSCU) central office (i.e., system office) in their budget request submitted to the Office of Policy and Management. The central office is primarily funded by General Fund and other revenues received by the colleges and universities in the CSCU system, which is unchanged by the bill.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**HB 5545*****AN ACT CONCERNING THE BUDGET OF THE CONNECTICUT STATE COLLEGES AND UNIVERSITIES.*****SUMMARY**

This bill requires the Board of Regents for Higher Education (BOR) to make the Connecticut State Colleges and Universities central office a separate line item in the consolidated operating and capital expenditure budgets that it submits to the Office of Policy and Management (OPM). Under current law, the budget is already itemized by each state university, regional community technical college, and Charter Oak State College.

The bill exempts central office appropriations from the same statutory limits on allotment reductions (i.e., rescissions) that apply to the public colleges and universities.

The bill also contains several conforming and technical changes.

EFFECTIVE DATE: July 1, 2021

BACKGROUND***BOR Budget Preparation***

BOR must develop either a formula or a program-based budgeting system to be used by each institution in preparing their requested operating budgets. Using the formula or system, BOR then prepares a single budget request to submit to the OPM secretary, itemized by state university, regional community-technical college, and Charter Oak State College. The budget request contains a proposed expenditure plan that includes the (1) total appropriation requested from the legislature, (2) amount to be appropriated from the General Fund, and (3) amount to be paid from tuition revenues (including any proposed tuition

increases) (CGS § 10a-8(a)).

COMMITTEE ACTION

Higher Education and Employment Advancement Committee

Joint Favorable

Yea 22 Nay 0 (03/11/2021)