

OFFICE OF FISCAL ANALYSIS

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HB-6402

AN ACT CONCERNING HIGHER EDUCATION.

As Amended by House "A" (LCO 9688)

House Calendar No.: 234

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 22 \$	FY 23 \$
Board of Regents for Higher Education	Various - Revenue Loss	95,000 to 140,000	95,000 to 140,000

Note: Various=Various

Municipal Impact: None

Explanation

The bill, which makes various changes regarding higher education, results in an annual revenue loss to the Board of Regents' Charter Oak State College, totaling approximately \$95,000 to \$140,000 annually beginning in FY 22, associated with prohibiting any constituent unit institution from charging a graduation fee. The other components of the bill are not anticipated to result in a fiscal impact to the state or municipalities.

The graduation fee prohibition in Sections 9-12 affects only Charter Oak State College within the Board of Regents as the other units do not charge a graduation fee. The annual revenue loss to the Board of Regents is estimated to be \$95,000 to \$140,000 based on Charter Oak's recent numbers of students who have been charged the fee, a graduation fee of \$225 in FY 22 (unchanged in recent years), and enrollment levels. Since Charter Oak enrollment has been volatile, the estimate reflects a range of 429 to 619 students paying the graduation fee, which is ten percent lower and higher than recent numbers of

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students who have paid the fee.

The elimination of the Charter Oak graduation fee results in approximately a 13 to 20 percent reduction in the college's projected fee revenue, or a total revenue reduction of 0.5 to 1 percent.

House "A" eliminates the original bill and its associated fiscal impact, and results in the impact described above.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to changes in the number of students pursuing graduation at Charter Oak State College.