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

sSB-881
AN ACT CONCERNING WORKFORCE DEVELOPMENT.
AMENDMENT
LCO No.: 9435
File Copy No.: 679
Senate Calendar No.: 227

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 22 $	FY 23 $
Labor Dept.	GF - Cost	None	314,093
State Comptroller - Fringe Benefits[1]	GF - Cost	None	31,110
Board of Regents for Higher Education	Various - See Below	See Below	See Below
Department of Transportation	TF - See Below	See Below	See Below

Note: GF=General Fund; Various=Various; TF=Transportation Fund

Municipal Impact: None

Explanation

This amendment strikes the underlying bill and its associated fiscal impact and results in the following fiscal impact:

Section 1 directs the Board of Regents to establish, by April 1, 2022, the Connecticut Automatic Admissions Program to bachelor's degree programs for in-state high school seniors who meet academic thresholds. The program is required for the four Connecticut state universities while nonprofit institutions may opt in. As a condition of participation, institutions admitting students through the program cannot charge application fees. This results in an annual revenue loss

[1]The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 41.3% of payroll in FY 22 and FY 23.

Primary Analyst: JS 5/27/21
Contributing Analyst(s): ()

beginning in FY 23 to the Board of Regents universities, which otherwise charge a waivable application fee currently set at $50. In FY 19 and FY 20, total undergraduate application fee revenues for the four universities ranged from approximately $1.1 million to $1.2 million. The extent of the revenue loss depends on the number of student applicants to the program.

This program may also have tuition and fee revenue impacts to the Board of Regents associated with: (1) potential lower enrollment at the community colleges, to the extent that students who would have otherwise attended instead choose (because of the program) to enroll at four-year institutions; and (2) potential higher enrollment at the Connecticut state universities for the same reason, as well as the increased publicity the program will generate, and to the extent that students choose participating universities over non-participating private institutions.

Running the program is not anticipated to result in a substantial cost to the Board of Regents. The bill provides that private institutions choosing to participate can be charged a fee of up to $25,000 or, if lower, the cost of adding the institution to the program, which is expected to be sufficient.

Section 3 requires the Department of Transportation (DOT) to establish the CTpass program by January 1, 2022, to allow individuals in an approved class for an eligible organization to use certain public transit services without cost or at a reduced cost. Under this section, DOT may enter into negotiated agreements with eligible organizations, which shall include terms and conditions outlining (1) the amount of compensation or reimbursement deemed necessary by DOT to ensure that transit expenditures do not increase as a result and (2) that the agreements cover any DOT administrative costs incurred in operating the program. This section limits the length of contracts, in part, to ensure that reimbursement rates are sufficient to prevent any DOT expenditure growth. To the extent that these agreements are structured to prevent additional DOT transit or administrative costs, as required in the bill, this section is not expected to result in a cost to DOT.

Section 4 requires employers with one hundred or more employees to report to their employees about whether the employer offers Education Assistance Program benefits.[2] This is not anticipated to alter the utilization rate of such programs by employers or employees and therefore does not result in any fiscal impact to the state or municipalities.

Section 14 establishes new reporting requirements for businesses subject to the state's unemployment insurance (UI) law. This results in a cost to the Department of Labor of $345,203 in FY 23 (including a one-time cost of $235,000 for a third-party vendor to execute necessary technical upgrades to the UI administration system), $255,402 in FY 24, and $481,947 in FY 25. These costs include salary and fringe benefits for various full- and part-time/durational positions to manage/implement the project, as well as associated overhead costs (computers, office supplies, etc.).

Section 17 expands, beginning in FY 23, Connecticut Higher Education Supplemental Loan Authority (CHESLA) loan eligibility to enrollment in a high-value certificate program that is noncredit and sub-baccalaureate. To the extent that this provision results in an enrollment increase for these programs, the Board of Regents may experience a potential increase in tuition and fee revenue. In FY 19, 3,670 people received a noncredit, sub-baccalaureate certificate from the Board of Regents (not specific to "high-value" programs).

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation. The cost impacts to the

[2] Under Section 127 of the Internal Revenue Code, as amended by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Educational Assistance Programs allow employers to subsidize and/or reimburse employee student loan payments up to an annual maximum of $5,250 per employee, which is tax deductible for the employer and excluded from taxable income for employees.

DOL are limited to FY 25 and earlier, as described above.