

OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200
Hartford, CT 06106 ◊ (860) 240-0200
<http://www.cga.ct.gov/ofa>

SB-996

AN ACT CONCERNING FUNDRAISING BY THE FOUNDATION OF
THE UNIVERSITY OF CONNECTICUT.

AMENDMENT

LCO No.: 8424

File Copy No.: 195

Senate Calendar No.: 157

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 22 \$	FY 23 \$
UConn	Various - See Below	See Below	See Below

Note: Various=Various

Municipal Impact: None

Explanation

The amendment conditions the decrease in UConn support to the foundation (under certain circumstances) that is allowed by the bill, on the UConn Foundation providing at least 50 percent of its annual total gifts and commitments for the reduction of in-state tuition at UConn.

If the foundation does not provide this assistance in reducing in-state tuition, then UConn cannot decrease its support to the foundation as allowed in the underlying bill. In this scenario, the amendment eliminates the bill's cost to UConn of \$1 million in both FY 22 and FY 23 as well as costs in the out years.

If the foundation does provide such assistance, then UConn may decrease its support to the foundation. If this is the outcome, then the amendment would not change the fiscal impact of the underlying bill. There is no additional impact to UConn (beyond the bill) because tuition

Primary Analyst: JS
Contributing Analyst(s):

5/12/21
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revenues lost through any in-state tuition reduction will be replaced by UConn Foundation funds. (The foundation is not a state entity.) Given the endowment withdrawal rate that would likely be needed to comply with the amendment's in-state tuition reduction option, it is unlikely that the foundation would choose to provide the tuition reduction assistance as in the amendment.

In FY 20, UConn Foundation gifts and commitments totaled approximately \$89.5 million. This figure includes estate commitments, which involve funds that are not immediately available to the foundation but are included in the amendment.

The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does 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.