



Senate

General Assembly

File No. 9

February Session, 2022

Substitute Senate Bill No. 18

Senate, March 15, 2022

The Committee on Higher Education and Employment Advancement reported through SEN. SLAP of the 5th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING VARIOUS REVISIONS TO THE HIGHER EDUCATION STATUTES.

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

1 Section 1. (NEW) (*Effective July 1, 2022*) (a) Not later than January 1,
2 2023, the Board of Regents for Higher Education and the Board of
3 Trustees of The University of Connecticut shall each adopt a policy
4 requiring that any new member of either of said boards receive
5 instruction and training in (1) a board member's duties to the state and
6 the public institution of higher education governed by the board, (2)
7 each committee of the board, including, but not limited to, the executive
8 committee, and its functions, (3) professional accounting and reporting
9 standards, (4) methods for meeting the statutory, regulatory and
10 fiduciary obligations of the board, (5) the provisions of the Freedom of
11 Information Act, as defined in section 1-200 of the general statutes, (6) a
12 board member's institutional and statutory ethical responsibilities, (7)
13 the development and implementation of institutional policies, (8)
14 business operations, administration, budgeting, financing, financial

15 reporting, financial reserves and endowment managing relevant to
16 institutions of higher education, (9) student tuition, mandatory fees and
17 student debt trends, (10) oversight of planning, construction,
18 maintenance, expansion and renovation projects that impact the
19 infrastructure, physical facilities and natural environment of the public
20 institution of higher education governed by the board, (11) workforce
21 planning, strategy and investment, (12) institutional advancement,
22 including, but not limited to, philanthropic giving, fundraising
23 initiatives, alumni programming, communications and media,
24 government and public relations and community affairs, (13) student
25 welfare issues, including, but not limited to, academic studies,
26 curriculum, residence life, student governance and activities and the
27 general physical and mental well-being of students, (14) current and
28 anticipated issues in higher education, and (15) any other topics each
29 governing board deems necessary. A member shall complete such
30 instruction and training not later than one year after being appointed or
31 elected to either of said boards.

32 (b) Not later than January 1, 2023, each public institution of higher
33 education shall post on its Internet web site (1) the policy established by
34 its governing board pursuant to subsection (a) of this section, and (2) a
35 summary of the instruction and training received by the members of its
36 governing board in accordance with such policy.

37 Sec. 2. Section 10a-8 of the general statutes is repealed and the
38 following is substituted in lieu thereof (*Effective July 1, 2022*):

39 (a) The provisions of sections 4-77 and 4-78 shall not apply to the
40 constituent units of the state system of higher education, and for the
41 purposes of said sections only, the Board of Regents for Higher
42 Education shall be deemed the budgeted agency for the Connecticut
43 State University System, the regional community-technical college
44 system, [and] Charter Oak State College and the central office of the
45 Connecticut State Colleges and Universities. The Board of Regents for
46 Higher Education shall develop a formula or program-based budgeting
47 system to be used by each institution in preparing operating budgets.

48 The Board of Regents for Higher Education shall prepare a single
49 budget request itemized by the Connecticut State University System, the
50 regional community-technical college system, [and] Charter Oak State
51 College and the central office of the Connecticut State Colleges and
52 Universities using the formula or program-based budgeting system and
53 shall submit such budget request displaying all operating funds to the
54 Secretary of the Office of Policy and Management in accordance with
55 sections 4-77 and 4-78, subject to procedures developed by the Board of
56 Regents for Higher Education and approved by said secretary. The
57 budget request shall set forth, in the form prescribed by the Board of
58 Regents for Higher Education, a proposed expenditure plan which shall
59 include: (1) The total amount requested for such appropriation account;
60 (2) the amount to be appropriated from the General Fund; and (3) the
61 amount to be paid from the tuition revenues of the regional community-
62 technical college system, [and] the Connecticut State University System
63 and Charter Oak State College. After review and comment by the Board
64 of Regents for Higher Education, the proposed expenditure plans shall
65 be incorporated into the single public higher education budget request
66 including recommendations, if any, by said board. Any tuition increase
67 proposed by the regional community-technical college system, [and] the
68 Connecticut State University System and Charter Oak State College for
69 the fiscal year to which the budget request relates shall be included in
70 the single public higher education budget request submitted by the
71 Board of Regents for Higher Education for such fiscal year, provided if
72 the General Assembly does not appropriate the amount requested by
73 any such system or college, such system or college may increase tuition
74 and fees by an amount greater than that included in the budget request
75 in response to which the appropriation was made. The General
76 Assembly shall make appropriations directly to the constituent units.
77 Allotment reductions made pursuant to the provisions of subsections
78 (b) and (c) of section 4-85 shall be applied by the Board of Regents for
79 Higher Education among the appropriations to the constituent units and
80 the central office of the Connecticut State Colleges and Universities
81 without regard to the limitations on reductions provided in said section,
82 except that said limitations shall apply to the total of the amounts

83 appropriated. The Board of Regents for Higher Education shall apply
84 such reductions after consultation with the Secretary of the Office of
85 Policy and Management. Any reductions of more than five per cent of
86 the appropriations of any constituent units shall be submitted to the
87 appropriations committee which shall, within thirty days, approve or
88 reject such reduction.

89 (b) The [boards of trustees of each of the constituent units] Board of
90 Regents for Higher Education may transfer to or from any specific
91 appropriation of [such] a constituent unit a sum or sums totaling up to
92 fifty thousand dollars or ten per cent of any such specific appropriation,
93 whichever is less, in any fiscal year without the consent of the Finance
94 Advisory Committee. Any such transfer shall be reported to the Finance
95 Advisory Committee within thirty days of such transfer and such report
96 shall be a record of said committee.

97 Sec. 3. Subsection (b) of section 10a-77 of the 2022 supplement to the
98 general statutes is repealed and the following is substituted in lieu
99 thereof (*Effective July 1, 2022*):

100 (b) The Board of [Trustees of the Community-Technical Colleges]
101 Regents for Higher Education shall establish and administer a fund to
102 be known as the Regional Community-Technical Colleges Operating
103 Fund. Appropriations from general revenues of the state and, upon
104 request by the board and with an annual review and approval by the
105 Secretary of the Office of Policy and Management, the amount of the
106 appropriations for fringe benefits and workers' compensation
107 applicable to the regional community-technical colleges pursuant to
108 subsection (a) of section 4-73, shall be transferred from the Comptroller,
109 and all tuition revenue received by the regional community-technical
110 colleges in accordance with the provisions of subsection (a) of this
111 section shall be deposited in said fund. Income from student fees or
112 related charges; the proceeds of auxiliary activities and business
113 enterprises, gifts and donations; federal funds and grants for purposes
114 other than research, and all receipts derived from the conduct by the
115 colleges of their education extension programs and summer school

116 sessions shall be credited to said fund but shall be allocated to the central
117 office and institutional operating accounts which shall be established
118 and maintained for the central office and each community-technical
119 college. If the Secretary of the Office of Policy and Management
120 disapproves such transfer, the secretary may require the amount of the
121 appropriation for operating expenses to be used for personal services
122 and fringe benefits to be excluded from said fund. The State Treasurer
123 shall review and approve the transfer prior to such request by the board,
124 [of trustees.] The board shall establish an equitable policy, in accordance
125 with section 10a-8, as amended by this act, for allocation of
126 appropriations from general revenues of the state, fringe benefits
127 transferred from the Comptroller and tuition revenue deposited in the
128 Regional Community-Technical Colleges Operating Fund. At the
129 beginning of each quarter of the fiscal year, the board shall allocate and
130 transfer, in accordance with said policy, moneys for expenditure in such
131 institutional operating accounts, exclusive of amounts retained for
132 central office operations and reasonable reserves for future distribution.
133 All costs of waiving or remitting tuition pursuant to subsection (f) of this
134 section shall be charged to the Regional Community-Technical Colleges
135 Operating Fund. Repairs, alterations or additions to facilities supported
136 by operating funds and costing one million dollars or more shall require
137 the approval of the General Assembly, or when the General Assembly
138 is not in session, of the Finance Advisory Committee. Any balance of
139 receipts above expenditures shall remain in said fund, except such sums
140 as may be required for deposit into a debt service fund or the General
141 Fund for further payment by the Treasurer of debt service on general
142 obligation bonds of the state issued for purposes of the regional
143 community-technical colleges.

144 Sec. 4. Subsection (b) of section 10a-99 of the 2022 supplement to the
145 general statutes is repealed and the following is substituted in lieu
146 thereof (*Effective July 1, 2022*):

147 (b) The Board of [Trustees of the Connecticut State University
148 System] Regents for Higher Education shall establish and administer a
149 fund to be known as the Connecticut State University System Operating

150 Fund. Appropriations from general revenues of the state and upon
151 request by the Connecticut State University System and with the annual
152 review and approval by the Secretary of the Office of Policy and
153 Management, the amount of the appropriations for fringe benefits
154 pursuant to subsection (a) of section 4-73, shall be transferred from the
155 State Comptroller and all tuition revenue received by the Connecticut
156 State University System in accordance with the provisions of subsection
157 (a) of this section shall be deposited in said fund. Income from student
158 fees or related charges, the proceeds of auxiliary activities and business
159 enterprises, gifts and donations, federal funds and grants, subject to the
160 provisions of sections 10a-98 to 10a-98g, inclusive, and all receipts
161 derived from the conduct by a state university of its education extension
162 program and its summer school session shall be credited to said fund
163 but shall be allocated to the central office and institutional operating
164 accounts which shall be established and maintained for the central office
165 and each state university. Any such gifts and donations, federal funds
166 and grants for purposes of research shall be allocated to separate
167 accounts within such central office and institutional operating accounts.
168 If the Secretary of the Office of Policy and Management disapproves
169 such transfer, [he] the secretary may require the amount of the
170 appropriation for operating expenses to be used for personal services
171 and fringe benefits to be excluded from said fund. The State Treasurer
172 shall review and approve the transfer prior to such request by the
173 university. The board [of trustees] shall establish an equitable policy, in
174 accordance with section 10a-8, as amended by this act, for allocation of
175 appropriations from general revenues of the state, fringe benefits
176 transferred from the State Comptroller and tuition revenue deposited in
177 the Connecticut State University System Operating Fund. At the
178 beginning of each quarter of the fiscal year, the board shall allocate and
179 transfer, in accordance with said policy, moneys for expenditure in such
180 institutional operating accounts, exclusive of amounts retained for
181 central office operations and reasonable reserves for future distribution.
182 All costs of waiving or remitting tuition pursuant to subsection (f) of this
183 section shall be charged to the Connecticut State University System
184 Operating Fund. Repairs, alterations or additions to facilities supported

185 by the Connecticut State University System Operating Fund and costing
 186 one million dollars or more shall require the approval of the General
 187 Assembly, or when the General Assembly is not in session, of the
 188 Finance Advisory Committee. Any balance of receipts above
 189 expenditures shall remain in said fund, except such sums as may be
 190 required for deposit into a debt service fund or the General Fund for
 191 further payment by the Treasurer of debt service on general obligation
 192 bonds of the state issued for purposes of the Connecticut State
 193 University System.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2022	New section
Sec. 2	July 1, 2022	10a-8
Sec. 3	July 1, 2022	10a-77(b)
Sec. 4	July 1, 2022	10a-99(b)

HED *Joint Favorable Subst.*

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 requires specific training for new college and university governing board members and makes some changes regarding the budgeting process for the Connecticut State Colleges and Universities. The bill results in no fiscal impact to the constituent units.

Section 1 requires the University of Connecticut's Board of Trustees and the Board of Regents (BOR) to adopt and post policies that new board members complete training in numerous specified topics. This section results in no fiscal impact to the constituent units because any topics not currently covered in new member orientations can be added, using existing resources.

Section 2 results in no fiscal impact to the Board of Regents. This section 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.

Sections 3 through 4 make technical and conforming changes to statutes involving the Board of Regents which have no fiscal impact.

The Out Years

The bill is not anticipated to have any fiscal impacts in the out years.

OLR Bill Analysis**sSB 18*****AN ACT CONCERNING VARIOUS REVISIONS TO THE HIGHER EDUCATION STATUTES.*****SUMMARY**

This bill requires public Connecticut higher education institutions to adopt a policy requiring new governing board members to complete specified training within a year after their appointment or election to the board. The bill establishes the required instruction and training topics, which include financial, legal and ethical, and institutional operation training topics, among others. By January 1, 2023, each institution must post on its website the training policy and a summary of the instruction and training board members received.

Additionally, the bill requires the Board of Regents for Higher Education (BOR) to make the Connecticut State Colleges and Universities (CSCU) central office a separate line item in its consolidated operating budget (see COMMENT). It also makes several conforming and technical changes.

EFFECTIVE DATE: July 1, 2022

§ 1 — GOVERNING BOARD TRAINING

The bill requires BOR and the UConn Board of Trustees (BOT) to each adopt a policy by January 1, 2023, that requires new governing board members to receive instruction and training on the topics listed in Table 1 within the first year of their appointment or election.

Table 1: Training Topics for BOR and UConn BOT Members

<i>Board Operations and Member Duties</i>
A board member's duties to the state and the institution

Each board committee and its functions, including the executive committee
Financial Matters
Professional accounting and reporting standards
Business operations, administration, budgeting, financing, financial reporting, financial reserves, and endowment management for higher education institutions
Institutional advancement, including philanthropic giving, and fundraising initiatives
Legal and Ethical Matters
Methods for meeting the board’s statutory, regulatory, and fiduciary obligations
State Freedom of Information Act
A board member’s institutional and statutory ethical responsibilities
Institutional Operations
Development and implementation of institutional policies
Oversight of planning, construction, maintenance, expansion, and renovation projects that impact the institution’s infrastructure, physical facilities, and natural environment
Workforce planning, strategy, and investment
Alumni programming, communications and media, government and public relations, and community affairs
Student Issues
Tuition, mandatory fees, and student debt trends
Student welfare issues, including academic studies, curriculum, residence life, student governance and activities, and general physical and mental well-being
General Higher Education Issues
Current and anticipated higher education issues
Other topics each governing board deems necessary

§§ 2-4 — BOR BUDGETING PROCESS

The bill requires BOR to make the CSCU central office a separate line item in the consolidated operating budget that it submits to the Office

of Policy and Management (OPM) (see BACKGROUND; see COMMENT). Under current law, the budget is itemized by the Connecticut State University System, regional community-technical college system, and Charter Oak State College. Additionally, the bill conforms law to practice by requiring any tuition increase proposed by Charter Oak State College for the fiscal year covered by the budget to be included in the single higher education budget that BOR submits.

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

COMMENT

Missing Conforming Change

Existing law requires BOR to prepare and present to the governor and legislature consolidated operating and capital expenditure budgets for the Connecticut State University System, the regional community-technical college system and Charter Oak State College, developed according to the requirements for the budget it must submit to OPM (CGS § 10a-6(a)(9)). This provision is missing a conforming change adding the CSCU central office to the consolidated operating budget.

BACKGROUND

BOR Budget Preparation

By law, BOR must develop either a formula or program-based budgeting system for each institution to use when preparing its requested operating budgets. After reviewing and commenting on their budget requests, BOR incorporates them into a single budget request to submit to the OPM secretary that is itemized by the state university system, regional community-technical college system, and Charter Oak State College. The request has 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 Substitute

Yea 20 Nay 3 (03/03/2022)