

OFFICE OF FISCAL ANALYSIS

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sHB-5136

AN ACT ADDRESSING THE NEEDS OF HOUSING-INSECURE
STUDENTS AT PUBLIC INSTITUTIONS OF HIGHER EDUCATION.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 23 \$	FY 24 \$
Board of Regents for Higher Education	Various - Cost	3.9 million	See below
Board of Regents for Higher Education	Various - Cost	Potential Significant	Potential Significant
UConn	Various - Cost	230,105	230,105
UConn	Various - Cost	Potential Significant	Potential Significant

Note: Various=Various

Municipal Impact: None

Explanation

The bill requires public colleges and universities to employ liaisons for and offer financial assistance to housing insecure students, among other requirements. The liaison requirement is anticipated to result in an estimated cost to the constituent units of \$4.1 million in FY 23 and potentially less in FY 24, with costs mainly falling to the Board of Regents institutions. The financial assistance requirement is a constituent unit cost that is potentially significant, also beginning in FY 23.

Liaisons. The bill's requirement for each public higher education institution to employ two staff members as liaisons to housing insecure and homeless students results in an estimated cost of approximately \$4.1 million in FY 23 for a total of 36 personnel. The personnel cost to

the Board of Regents is approximately \$3.9 million in FY 23, composed of: (1) total salary costs of \$1,958,536 for 34 liaisons with a starting salary of \$57,604, and (2) fringe benefits costs of \$1,953,248.¹ Most of the costs will fall to the community colleges (approximately \$2.8 million) as there are 12 such institutions. The community colleges' costs may fall in FY 24 to the level associated with two liaisons (\$230,105) provided the consolidation of the colleges into a single institution is fully implemented on schedule. This would lower the total Board of Regents' liaison costs in FY 24 to approximately \$1.4 million.

The anticipated personnel cost to the University of Connecticut is \$230,105 in FY 23, composed of (1) salary costs of \$115,208 for two liaisons at the same starting salary, and (2) fringe benefits costs of \$114,897.

These increased personnel costs may be funded by either the General Fund or other constituent unit revenues (e.g., tuition). If the new positions are funded through the General Fund, then the fringe benefits costs will be incurred within the Office of the State Comptroller.

Financial assistance. The costs associated with the bill's requirement of providing grants or other financial assistance to housing insecure or homeless students may be significant, depending on whether assistance is provided to all such students and the extent of the assistance.

If funding is provided to every housing insecure or homeless student who needs assistance, the anticipated total cost to the Board of Regents may range from approximately \$2.1 million to more than \$40 million, while UConn's estimated total cost may vary between approximately \$791,000 and \$17 million. The actual costs will depend on the amount of resources dedicated to the assistance, number of students who seek assistance, the number of students eligible under the parameters

¹ The fringe benefit costs for employees funded out of other appropriated funds are budgeted within the fringe benefit account of those funds, as opposed to the fringe benefit accounts within the Office of the State Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes for other appropriated fund employees is 99.73% of payroll in FY 23.

determined by each institution or governing board, and the level of assistance sought by students.

The estimated costs for funding every housing insecure or homeless student who needs assistance are based on: (1) fall 2021 headcount enrollment at each Board of Regents component and UConn; (2) national data indicating that two percent of four-year college/university students and three percent of community college students self-identified as homeless in 2020,² used for the minimum cost estimate; and (3) national data estimating that 43 percent of four-year students and 52 percent of community college students experienced any housing insecurity in 2020, used for the maximum cost estimate. The estimates assume that each student experiencing either homelessness (for the minimum cost) or housing insecurity (for the maximum cost) will be provided with financial assistance that averages one month's rent for a one-bedroom unit.³ Some students may need less assistance, and others more. The estimates also assume that the national data apply specifically to Connecticut's constituent unit students.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation in personnel and housing rental costs, as well as changes in enrollment and housing insecurity among constituent unit students.

² The Hope Center, "#REALCOLLEGE 2021: Basic Needs Insecurity During the Ongoing Pandemic," March 2021. <https://hope4college.com/wp-content/uploads/2021/03/RCReport2021.pdf>

³ The rental rates used are \$1,262 for the community colleges and Charter Oak State College, \$1,260 for the Connecticut state universities within BOR, and \$1,230 for UConn. The community college and state universities rates are the weighted (for enrollment) average of the Department of Housing-Rental Assistance Program's Maximum Allowable Rent (MAR) for March 2021 (the most recent date available) in the towns that host the institutions. For UConn, the MAR for its main host town, Mansfield, is used.