



House of Representatives

File No. 980

General Assembly

January Session, 2025

(Reprint of File No. 158)

Substitute House Bill No. 6887
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
May 29, 2025

**AN ACT CONCERNING HIGHER EDUCATION MANAGEMENT AND
FISCAL ACCOUNTABILITY.**

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

1 Section 1. (NEW) (*Effective July 1, 2025*) Not later than January 1, 2026,
2 the Board of Regents for Higher Education shall adopt or update the
3 management and fiscal accountability policies applicable to each
4 constituent unit and institution of higher education governed by said
5 board and the central office of the Connecticut State Colleges and
6 Universities. Such policies shall include, but need not be limited to, the
7 following:

8 (1) The use of purchasing cards pursuant to subsection (c) of section
9 4-98 of the general statutes, that includes, but is not limited to, the (A)
10 permitted and restricted uses of purchasing cards, (B) provision of
11 uniform training to each cardholder on such permitted and restricted
12 uses and required record-keeping, and a signed acknowledgment of
13 receiving such training, (C) requirement for a secondary review and

14 sign-off on any exceptions to the spending limits on purchasing cards,
15 (D) provision of uniform training to each supervisor to regularly
16 monitor the use of purchasing cards, (E) use of purchasing cards by
17 persons in executive positions for food and entertainment costs, and (F)
18 establishment and enforcement of accountability measures to address
19 any purchasing card misuse, including, but not limited to, written
20 acknowledgment of such misuse, an agreement to remedy such misuse
21 and the revocation of purchasing cards when necessary.

22 (2) The use of state vehicles that includes, but is not limited to, the (A)
23 establishment of rules on the use of state vehicles and related record-
24 keeping, (B) treatment of state vehicle use for compensation and tax
25 purposes, and (C) establishment and enforcement of accountability
26 measures to address any state vehicle misuse and noncompliance with
27 such policy.

28 (3) Residency requirements for certain executive positions, including,
29 but not limited to, the chancellor, vice-chancellors, president, vice-
30 presidents and other equivalent positions. Any employment contract
31 negotiated on and after July 1, 2025, for the chancellor of the Connecticut
32 State College and Universities shall include a requirement to maintain
33 such chancellor's primary residence in the state.

34 (4) The development and provision of uniform training to all
35 executives, administrators and staff at each such constituent unit,
36 institution of higher education and central office regarding the business
37 functions and compliance practices relevant to such position.

38 Sec. 2. (NEW) (*Effective July 1, 2025*) Not later than January 1, 2026,
39 the Board of Trustees of The University of Connecticut shall adopt or
40 update policies concerning the management and fiscal accountability of
41 The University of Connecticut. Such policies shall include, but need not
42 be limited to, the following:

43 (1) The use of purchasing cards pursuant to subsection (c) of section
44 4-98 of the general statutes, that includes, but is not limited to, the (A)
45 permitted and restricted uses of purchasing cards, (B) provision of

46 uniform training to each cardholder on such permitted and restricted
47 uses and required record-keeping, and a signed acknowledgment of
48 receiving such training, (C) requirement for a secondary review and
49 sign-off on any exceptions to the spending limits on purchasing cards,
50 (D) provision of uniform training to each supervisor to regularly
51 monitor the use of purchasing cards, (E) use of purchasing cards by
52 persons in executive positions for food and entertainment costs, and (F)
53 establishment and enforcement of accountability measures to address
54 any purchasing card misuse, including, but not limited to, written
55 acknowledgment of such misuse, an agreement to remedy such misuse
56 and the revocation of purchasing cards when necessary.

57 (2) The use of state vehicles that includes, but is not limited to, the (A)
58 establishment of rules on the use of state vehicles and related record-
59 keeping, (B) treatment of state vehicle use for compensation and tax
60 purposes, and (C) establishment and enforcement of accountability
61 measures to address any state vehicle misuse and noncompliance with
62 such policy.

63 (3) Residency requirements for certain executive positions, including,
64 but not limited to, the president, vice-presidents and other equivalent
65 positions. Any employment contract negotiated on and after July 1,
66 2025, for the president of The University of Connecticut shall include a
67 requirement to maintain such president's primary residence in the state.

68 (4) The development and provision of uniform training to all
69 executives, administrators and staff at said university regarding the
70 business functions and compliance practices relevant to such position.

71 Sec. 3. (NEW) (*Effective July 1, 2025*) Not later than January 1, 2026,
72 the Board of Regents for Higher Education shall appoint a compliance
73 officer. The duties of such officer shall include, but need not be limited
74 to, (1) conducting audits on a regular basis of the records and
75 expenditures at each constituent unit and institution of higher education
76 governed by said board and the central office of the Connecticut State
77 Colleges and Universities to measure, as often as deemed necessary by

78 such officer, (A) compliance with applicable laws and regulations and
79 policies adopted by said board, (B) reliability of financial reporting and
80 record-keeping, (C) effectiveness and efficiency of operations, and (D)
81 assessing the adequacy and uniformity of internal controls and
82 compliance practices at each such institution and the central office; (2)
83 reporting to said board on the findings of such audit and assessment
84 and making recommendations for improvement; and (3) performing the
85 audit required pursuant to subsection (r) of section 1-84 of the general
86 statutes.

87 Sec. 4. Section 2-53l of the general statutes is repealed and the
88 following is substituted in lieu thereof (*Effective July 1, 2025*):

89 (a) On or before July 1, 2011, until July 8, 2019, the legislative Office
90 of Fiscal Analysis shall establish and maintain searchable online
91 electronic databases on said office's Internet web site for purposes of
92 posting state expenditures, including state contracts and grants. On and
93 after July 8, 2019, said databases shall be maintained by the office of the
94 Comptroller on said office's publicly accessible Internet web site for
95 purposes of posting expenditures of the state and quasi-public [agency
96 expenditures] agencies and constituent units of the state system of
97 higher education, including disaggregated payments and data related
98 to state and quasi-public agency and constituent unit contracts and
99 grants, state and quasi-public agency and constituent unit employee
100 payroll and state retiree pensions.

101 (b) Each budgeted agency, as defined in section 4-69, [and] quasi-
102 public agency, as defined in section 1-120, and constituent unit, as
103 defined in section 10a-1, shall submit, in a timely manner, any
104 information requested by the Comptroller for the purpose of
105 maintaining the electronic databases.

106 (c) Nothing in this section shall be construed to require a state or
107 quasi-public agency or constituent unit to: (1) Create unavailable
108 financial or management data or an information technology system that
109 does not exist, or (2) disclose consumer, client, patient, student or other

110 information otherwise protected by law from disclosure.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2025</i>	New section
Sec. 2	<i>July 1, 2025</i>	New section
Sec. 3	<i>July 1, 2025</i>	New section
Sec. 4	<i>July 1, 2025</i>	2-53l

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:

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Board of Regents for Higher Education	OF - Potential Cost	See Below	See Below

Note: OF=Other Fund

Municipal Impact: None

Explanation

The bill results in a potential cost annually beginning in FY 26 to the Board of Regents for Higher Education (BOR). It does so by requiring BOR to hire a compliance officer and establishing a variety of auditing and financial reporting responsibilities for the position.

BOR has recently hired a compliance officer whose duties largely overlap with the auditing responsibilities outlined in the bill. To the extent that BOR chooses to hire additional staff to assist in fulfilling the bill's responsibilities, there is a potential cost that will vary based on the number of people hired and their associated salaries.

Additionally, the bill requires the constituent units of higher education to: (1) report certain data to the Office of the State Comptroller (OSC) for inclusion in its transparency database; and (2) establish various administrative policies. These changes have no fiscal impact as it is anticipated that the constituent units can meet these responsibilities with existing resources.

House "A" (1) replaces the cost in the underlying bill to BOR with a potential cost annually beginning in FY 26; and (2) eliminates the cost in

the underlying bill to OSC. It requires BOR to appoint a compliance officer, rather than establish an audit office, and it eliminates the requirement for OSC to perform a post-audit examination.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to changes in salary and fringe costs associated with any staff BOR may hire to fulfill the bill's provisions.

OLR Bill Analysis**sHB 6887 (as amended by House "A")******AN ACT CONCERNING HIGHER EDUCATION MANAGEMENT AND FISCAL ACCOUNTABILITY.*****SUMMARY**

This bill requires the Board of Regents for Higher Education (BOR) and UConn Board of Trustees to adopt or update their management and fiscal accountability policies to cover the following topics by January 1, 2026: (1) use of purchasing cards and state vehicles, (2) residency requirements for certain executive positions, and (3) training on business functions and compliance practices (§§ 1 & 2).

The bill requires the BOR to appoint a compliance officer by January 1, 2026, to conduct regular audits and report to the BOR (§ 3).

The bill also specifies that constituent units of higher education, as currently required of budgeted agencies and quasi-public agencies, must submit expense information requested by the comptroller for inclusion on the comptroller's online database of expenditures. This includes data related to contracts, grants, payroll, and pensions, but does not require creation of unavailable data or technology systems or require disclosure of information protected by law (§ 4).

*House Amendment "A" requires the BOR to appoint a compliance officer, instead of establishing an internal audit office; adds the provision on submitting expenditure data for the comptroller's database; and eliminates requirements for (1) the comptroller to do a randomized post-audit examination of Connecticut State Colleges and Universities' (CSCU) records and expenditures and (2) constituent units to submit quarterly budget and expense data to the comptroller for the statewide fiscal transparency program and databases.

EFFECTIVE DATE: July 1, 2025

POLICIES

Under the bill, the BOR must adopt or amend certain policies, as outlined above, applicable to each constituent unit it oversees (the state universities and Connecticut State Community College) and the CSCU central office. The UConn Board of Trustees must adopt or amend the same policies for UConn.

For purchasing cards, the policies must address:

1. proper card uses;
2. cardholder training on proper uses and record-keeping requirements, with a signed acknowledgment of receiving training;
3. secondary review and sign-off in order to exceed card spending limits;
4. supervisor training on regular monitoring of card use;
5. card use by executives on food and entertainment; and
6. accountability measures and enforcement for card misuse, including written acknowledgment of misuse, agreements to remedy misuse, and card revocation.

For state vehicles, the policies must address:

1. rules for vehicle use and record-keeping,
2. how use is treated for compensation and tax purposes, and
3. accountability measures and enforcement for misuse and noncompliance.

The policies must also require uniform training for executives, administrators, and staff about their positions' business functions and compliance practices.

Residency

The bill requires policies addressing residency requirements for executive positions such as chancellor, vice-chancellor, president, vice-president, and equivalent positions. The bill requires any employment contract negotiated on or after July 1, 2025, for CSCU chancellor or UConn president to require that these officials maintain their primary residence in the state.

BOR COMPLIANCE OFFICER

The bill requires the BOR to appoint a compliance officer by January 1, 2026, to regularly audit records and expenditures at the state universities, Connecticut State Community College, and the CSCU central office, as often as the officer deems necessary, for:

1. compliance with applicable laws, regulations, and BOR policies;
2. reliability of financial reporting and record-keeping;
3. effectiveness and efficiency of operations; and
4. adequacy and uniformity of internal controls and compliance practices.

The compliance officer must also (1) report findings and recommendations to the BOR and (2) perform the audit required by existing law regarding faculty consulting agreements and outside research projects.

BACKGROUND***Constituent Units of Higher Education***

By law, the constituent units of higher education are the (1) University of Connecticut, including all its campuses, and (2) CSCU, including the state universities, regional community technical colleges, and Charter Oak State College.

COMMITTEE ACTION

Higher Education and Employment Advancement Committee

Joint Favorable Substitute

Yea 18 Nay 0 (02/27/2025)

Appropriations Committee

Joint Favorable

Yea 38 Nay 12 (05/05/2025)