

OFFICE OF FISCAL ANALYSIS

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sSB-380

AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE
TASK FORCE TO SUPPORT PROMISE PROGRAMS IN THE STATE.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 27 \$	FY 28 \$
Higher Ed., Off.	GF - Cost	At least 38.7 million	At least 69.3 million
Constituent Units of Higher Education	OF - Potential Revenue Gain	See Below	See Below
State Comptroller - Fringe Benefits ¹	GF - Cost	155,340	155,340

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill results in costs to the Office of Higher Education of at least \$38.7 million in FY 27 and at least \$69.3 million in FY 28, with higher costs in the out years. The bill requires the Office of Higher Education to: (1) establish a Scholar Success Grant Program to support qualifying Connecticut high school graduates with the cost of higher education; (2) provide a grant to existing Promise programs² in the state; and (3) establish eight new Promise programs throughout the state. Below is a

¹The 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 41.82% of payroll in FY 27.

² Promise programs provide financial, academic, and other support to undergraduate college students, and high school students who wish to attend college, who meet certain criteria. The programs can be funded via public or private funding and typically serve students from low-income areas. There are currently four Promise programs in Connecticut in Bridgeport, Hartford, New Haven, and Waterbury.

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4/1/26

further discussion of the cost of the three new initiatives.

Scholar Success Grant Program

The bill results in a cost of at least \$31.1 million in FY 27 and at least \$62.2 million in FY 28 to establish the Scholar Success Grant Program in Section 2. The cost annualizes to at least \$124.5 million³ beginning in FY 30. Costs rise from FY 27 to FY 30 due to the program's phase-in as it adds its first four cohorts.

The program is intended to cover, for Connecticut high school graduates anywhere in the state who meet certain requirements, a portion of the net cost of attendance (cost after all grant and scholarship aid) at public and private institutions of higher education in the state. The portion covered by the bill varies based on income and type of institution (i.e., public or private), with the highest portion (40%) covered for low-income students at public institutions.

Costs will likely be higher than reported above based on changes in the net cost of attendance at public and private institutions, and on program demand.

The bill appropriates \$30 million in FY 27 for the Scholar Success Grant Program.

New and Existing Promise Programs

The bill results in a cost of at least \$7.7 million in FY 27 and at least \$7.2 million in FY 28 and annually thereafter related to new and existing Promise programs. It requires OHE to: (1) establish a grant of \$3,000 per student for existing Promise programs annually beginning in FY 27; (2) support the creation of eight new Promise programs in the state by January 1, 2031 as required by Section 1.

³ This analysis was conducted with information provided by the Connecticut Conference of Independent Colleges and with data obtained from the federal Integrated Postsecondary Education Data System (IPEDS). The IPEDS data is from the 2022-23 academic year.

There is a cost of at least \$6.7 million annually beginning in FY 27 to provide a grant of \$3,000 per student for existing Promise programs. Currently, there are 2,232 students participating in the Hartford and Waterbury Promise programs alone. It is not known how many students participate in the Bridgeport or New Haven programs.

There is a one-time consultant cost of approximately \$500,000 in FY 27. The bill requires OHE to hire a consultant to support the creation of the eight new Promise programs in Section 1.

Additionally, it is anticipated that OHE will need to hire four staff, resulting in costs of \$526,700 annually beginning in FY 27. These costs assume OHE would need to hire one fiscal/administrative supervisor (salary of \$100,500) and three associate fiscal/administrative officers (salary of \$90,300 each), resulting in total salary costs of \$371,400 and fringe benefit costs of \$155,300. It is expected that these staff would be needed to support all three of the bill's initiatives.

The bill also requires OHE to provide funding for the start-up expenses of the new Promise programs. This results in a cost dependent on the level of support determined by the OHE commissioner, with the timing dependent on when the new programs begin.

The bill appropriates \$4.8 million in FY 27 for grants to new and existing Promise programs.

Revenue Impact on Constituent Units of Higher Education

The bill results in a potential revenue gain annually beginning in FY 27 to UConn and the Connecticut State Universities (CSUs). To the extent that the bill increases enrollment at those institutions, UConn and the CSUs would incur an increase in tuition and fee revenue (and potentially room and board revenue) that would vary based on the number of people who choose to attend, and the tuition and fees charged by the institutions.

The Out Years

The bill's total estimated costs in the out years are at least \$100.6 million in FY 29 and at least \$131.7 million annually thereafter.

Of this total, the estimated cost of the Scholars Success Grant Program is \$83.3 million in FY 29 and \$124.5 million annually thereafter. The annualized ongoing fiscal impact of the Scholars Success Grant Program would continue beyond FY 30 subject to changes in the net cost of attendance at public and private higher education institutions, and demand for the Scholar Success Grant Program.