

Office of Higher Education

DHE66500

Position Summary

Account	Actual FY 12	Governor Estimated FY 13	Governor Recommended		Legislative	
			FY 14	FY 15	FY 14	FY 15
Permanent Full-Time - GF	15	15	20	20	21	21
Permanent Full-Time - OF	27	13	13	13	13	13

Budget Summary

Account	Actual FY 12	Governor Estimated FY 13	Governor Recommended		Legislative	
			FY 14	FY 15	FY 14	FY 15
Personal Services	1,290,581	1,128,146	1,598,563	1,664,650	1,658,563	1,724,650
Other Expenses	103,638	112,537	106,911	106,911	106,911	106,911
Equipment	0	1	1	1	1	1
Other Current Expenses						
Minority Advancement Program	1,973,446	2,176,817	1,517,959	2,181,737	1,517,959	2,181,737
Alternate Route to Certification	100,000	100,000	0	0	85,892	92,840
National Service Act	235,738	0	315,289	325,210	315,289	325,210
International Initiatives	63,176	66,500	0	0	66,500	66,500
Minority Teacher Incentive Program	422,500	471,374	447,806	447,806	447,806	447,806
Education and Health Initiatives	134,500	0	0	0	0	0
Board of Regents	1,264,543	0	0	0	0	0
English Language Learner Scholarship	0	100,000	0	0	95,000	95,000
Other Than Payments to Local Governments						
Capitol Scholarship Program	4,336,060	4,722,351	0	0	0	0
Awards to Children of Deceased/ Disabled Veterans	0	4,000	3,800	3,800	3,800	3,800
Connecticut Independent College Student Grant	18,072,474	16,158,319	0	0	0	0
Connecticut Aid for Public College Students	29,808,469	25,500,000	0	0	0	0
Connecticut Aid to Charter Oak	59,393	59,393	0	0	0	0
Kirklyn M. Kerr Grant Program	285,000	0	0	0	0	0
Governor's Scholarship	0	0	40,736,398	40,736,398	42,011,398	43,623,498
GAAP Adjustments	0	0	30,010	10,889	30,010	10,889
Agency Total - General Fund	58,149,519	50,599,438	44,756,737	45,477,402	46,339,129	48,678,842
Additional Funds Available						
Carry Forward Funding	0	0	0	0	1,447,851	0
Federal & Other Restricted Act	2,499,492	3,043,092	3,078,025	3,045,165	3,078,025	3,045,165
Private Contributions	882,741	1,008,500	1,015,000	1,025,000	1,015,000	1,025,000
Additional Funds Available						
Agency Grand Total	61,531,752	54,651,030	48,849,762	49,547,567	51,880,005	52,749,007

Account	Legislative				Difference from Governor Recommended			
	FY 14		FY 15		FY 14		FY 15	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount

Current Services

Adjust Funding to Reflect Wage & Compensation Related Costs

Personal Services	0	(5,074)	0	55,641	0	0	0	0
Minority Advancement Program	0	2,211	0	4,920	0	0	0	0
Alternate Route to Certification	0	4,876	0	11,824	0	0	0	0
National Service Act	0	3,342	0	13,263	0	0	0	0
Total - General Fund	0	5,355	0	85,648	0	0	0	0

Governor

Provide funding of \$5,355 in FY 14 and \$85,648 in FY 15 to reflect current services wage-related adjustments such as annual increments, general wage increases, overtime, annualization, turnover, and other compensation-related adjustments.

Legislative

Same as Governor

Transfer Funding to the National Service Act

National Service Act	0	328,365	0	328,365	0	0	0	0
Total - General Fund	0	328,365	0	328,365	0	0	0	0

Background

The Connecticut Commission on National and Community Service was established in 1993 by an Executive Order of the Governor under the National and Community Service Trust Act of 1993. The primary mandate of the commission is to administer AmeriCorps programs in the state. The commission utilizes federal resources to reinforce, expand and start-up quality community service programs that help meet critical needs in education, public safety, health and the environment. The community service program participants, upon successful completion of a year of full-time service, are eligible to receive an education award of \$5,550 that can be used to pay for college or graduate school, or to pay back qualified student loans.

Governor

Transfer funding of \$328,365 in FY 14 and FY 15, from the Board of Regents into the National Service Act account.

Legislative

Same as Governor

Apply Inflationary Increases

Other Expenses	0	29	0	3,592	0	0	0	0
Capitol Scholarship Program	0	102,475	0	242,395	0	0	0	0
Connecticut Independent College Student Grant	0	350,636	0	829,396	0	0	0	0
Connecticut Aid for Public College Students	0	553,350	0	1,308,897	0	0	0	0
Connecticut Aid to Charter Oak	0	1,289	0	3,049	0	0	0	0
Total - General Fund	0	1,007,779	0	2,387,329	0	0	0	0

Background

Applying inflationary factors to current year expenditures provides an estimate of the cost of continuing services into the next year.

Governor

Increase funding for various accounts by \$1,007,779 in FY 14 and an additional \$1,379,550 in FY 15 (for a cumulative total of \$2,387,329 in the second year) to reflect inflationary increases.

Legislative

Same as Governor

Account	Legislative				Difference from Governor Recommended			
	FY 14		FY 15		FY 14		FY 15	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount

Provide Funding for GAAP

Nonfunctional - Change to Accruals	0	4,770	0	8,215	0	0	0	0
Total - General Fund	0	4,770	0	8,215	0	0	0	0

Background

Each agency's budget will include a new line item account called "Nonfunctional - Change to Accruals". This line item represents the estimate of the difference between an agency's cash-basis budget amounts and the accrual-basis amounts that will be reflected under Generally Accepted Accounting Principles (GAAP). These funds will not be available for spending; in the aggregate they will prevent the state's GAAP deficit from growing.

Governor

Provide funding of \$4,770 in FY 14 and \$8,215 in FY 15 to reflect the implementation of GAAP in the budget.

Legislative

Same as Governor

Policy Revisions

Rollout of FY 13 DMP

Alternate Route to Certification	0	(18,984)	0	(18,984)	0	0	0	0
Capitol Scholarship Program	0	(236,117)	0	(236,117)	0	0	0	0
Connecticut Independent College Student Grant	0	(200,000)	0	(200,000)	0	0	0	0
Total - General Fund	0	(455,101)	0	(455,101)	0	0	0	0

Background

PA 12-1 December Special Session (AAC Deficit Mitigation for the Fiscal Year Ending June 30, 2013) reduced the General Fund expenditures by \$221.5 million in various agencies and accounts. The Governor's FY 14 and FY 15 budget includes the rollout of the \$36.2 million of the FY 13 DMP across various agencies.

Governor

Reduce funding by \$455,101 in FY 14 and FY 15 to reflect the rollout of expenditure reductions in PA 12-1 DSS.

Legislative

Same as Governor

Rollout of FY 13 Rescissions

Other Expenses	0	(5,626)	0	(5,626)	0	0	0	0
National Service Act	0	(16,418)	0	(16,418)	0	0	0	0
Minority Teacher Incentive Program	0	(23,568)	0	(23,568)	0	0	0	0
English Language Learner Scholarship	0	(5,000)	0	(5,000)	0	0	0	0
Awards to Children of Deceased/Disabled Veterans	0	(200)	0	(200)	0	0	0	0
Connecticut Aid for Public College Students	0	0	0	0	0	1,275,000	0	1,275,000
Connecticut Aid to Charter Oak	0	(2,969)	0	(2,969)	0	0	0	0
Total - General Fund	0	(53,781)	0	(53,781)	0	1,275,000	0	1,275,000

Background

The Governor implemented General Fund rescissions in November of 2012 totaling \$170.4 million across state agencies. The Governor's FY 14 and FY 15 budget includes the rollout of \$69.7 million of FY 13 rescissions across various agencies.

Account	Legislative				Difference from Governor Recommended			
	FY 14		FY 15		FY 14		FY 15	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount

Governor

Reduce various accounts by \$1,328,781 FY 14 and FY 15 to reflect the rollout of the Governor's FY 13 rescissions.

Legislative

Reduce various accounts by \$53,781 in FY 14 and FY 15 to reflect the partial rollout of the Governor's FY 13 rescissions. Funding of \$1.275 million is maintained in the Connecticut Aid for Public College Student Grant in both FY 14 and FY 15.

Establish the Governor's Scholarship Program

Capitol Scholarship Program	0	(4,486,234)	0	(4,486,234)	0	0	0	0
Connecticut Independent College Student Grant	0	(15,958,319)	0	(15,958,319)	0	0	0	0
Connecticut Aid for Public College Students	0	(25,500,000)	0	(25,500,000)	0	(1,275,000)	0	(1,275,000)
Connecticut Aid to Charter Oak	0	(56,424)	0	(56,424)	0	0	0	0
Governor's Scholarship	0	42,011,398	0	43,623,498	0	1,275,000	0	2,887,100
Total - General Fund	0	(3,989,579)	0	(2,377,479)	0	0	0	1,612,100

Background

The Office of Higher Education is responsible for four primary financial aid programs: the Capitol Scholarship program, the Connecticut Independent College Student Grant, the Connecticut Public College Student Grant program and Aid to Charter Oak.

Governor

Funding of \$40.7 million is transferred from various financial aid accounts into the new Governor's Scholarship account. This results in a \$4.0 million reduction to student financial aid. Section 14 of SB 844, An Act Implementing the Budget Recommendations of the Governor Concerning Higher Education, establishes the criteria for applying for and receiving financial aid.

Legislative

Funding of \$42 million in FY 14 and \$43.6 million in FY 15 is transferred from various financial aid accounts into the new Governor's Scholarship account. At least 38% of scholarship funds must be used at private institutions in FY 14 and at least 36% of scholarship funds must be used at private institutions in FY 15. Section 182 of PA 13-247, the general government implementer, provides for this change.

Adjust Funding for English Language Learners Program

English Language Learner Scholarship	0	0	0	0	0	95,000	0	95,000
Total - General Fund	0	0	0	0	0	95,000	0	95,000

Background

Section 222 of PA 12-1, JSS, the budget implementer, established the English Language Learners program.

Governor

Reduce funding by \$95,000 to reflect the elimination of this program.

Legislative

Funding of \$95,000 is maintained in both FY 14 and FY 15 for the English Language Learners program.

Adjust Funding for International Initiatives

International Initiatives	0	0	0	0	0	66,500	0	66,500
Total - General Fund	0	0	0	0	0	66,500	0	66,500

Background

The Baden-Württemberg-Connecticut Higher Education Exchange (BW-CT Exchange) provides opportunities for college and university students from all disciplines to receive credit for studies at institutions in the partner-state, and promotes the larger goals of economic development and cultural understanding.

The BW-CT Exchange began in 1991 as the result of a legislative partnership between the State of Connecticut and the German State of Baden-Württemberg. In FY 13, 57 Connecticut students attended college in Germany while 51 German students came to Connecticut for study. Another 30 students from Connecticut studied in Germany in the summer.

Account	Legislative				Difference from Governor Recommended			
	FY 14		FY 15		FY 14		FY 15	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount

The Parliament of Baden-Württemberg supports Connecticut students with an annual scholarship fund of \$250,000. Connecticut supports its students through a General Fund appropriation of \$66,500 and annual student fees totaling \$50,000.

Governor

Reduce funding by \$66,500 in FY 14 and FY 15 to reflect the elimination of support for the International Initiatives program.

Legislative

Funding of \$66,500 is maintained in both FY 14 and FY 15 for International Initiatives.

Eliminate Inflationary Increases

Other Expenses	0	(29)	0	(3,592)	0	0	0	0
Capitol Scholarship Program	0	(102,475)	0	(242,395)	0	0	0	0
Connecticut Independent College Student Grant	0	(350,636)	0	(829,396)	0	0	0	0
Connecticut Aid for Public College Students	0	(553,350)	0	(1,308,897)	0	0	0	0
Connecticut Aid to Charter Oak	0	(1,289)	0	(3,049)	0	0	0	0
Total - General Fund	0	(1,007,779)	0	(2,387,329)	0	0	0	0

Governor

Reduce various accounts by \$1,007,779 in FY 14 and \$2,387,329 in FY 15 to reflect the elimination of inflationary increases.

Legislative

Same as Governor

Transfer Business Functions from Board of Regents

Personal Services	6	543,795	6	558,308	0	60,000	0	60,000
Total - General Fund	6	543,795	6	558,308	0	60,000	0	60,000

Background

Sections 211-285 of PA 11-48 implement the creation of the BOR which includes the transfer of the Connecticut State University System, the Regional Community-Technical Colleges and Charter Oak State College.

Governor

Six positions and corresponding funding of \$483,795 in FY14 and \$498,308 in FY 15, and various business functions are reallocated from the Board of Regents. Of the six positions, four are currently vacant, one is a consultant position, two are Senior Consultant positions, and one is a Director position.

Legislative

Six positions and corresponding funding of \$543,795 in FY 14 and \$558,308 in FY 15, and various business functions are reallocated from the Board of Regents. Of the six positions, four are currently vacant, one is a consultant position, two are Senior Consultant positions, and one is a Director position.

Reduce Funding from MAP to Reflect Anticipated Carry Forward

Minority Advancement Program	0	(661,069)	0	0	0	0	0	0
Total - General Fund	0	(661,069)	0	0	0	0	0	0

Background

The Minority Advancement Program provides early intervention programs at the high school level to increase the pool of qualified minority students for higher education. Additionally, the program provides a performance-based grant program for students, focusing on retention.

Pursuant to CGS Section 4-89(f), funds were carried forward from FY 12 into FY 13 for this program.

Governor

Funding is reduced by \$661,069 in FY 14 to reflect the anticipated carry forward of FY 13 funding into FY 14.

Legislative

Same as Governor

Account	Legislative				Difference from Governor Recommended			
	FY 14		FY 15		FY 14		FY 15	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount

Adjust Funding for GAAP

Nonfunctional - Change to Accruals	0	25,240	0	2,674	0	0	0	0
Total - General Fund	0	25,240	0	2,674	0	0	0	0

Governor

Provide funding of \$25,240 in FY 14 and \$2,674 in FY 15 to reflect changes to GAAP accruals as a result of policy changes.

Legislative

Same as Governor

Support ARC Program Director with Fees and Tuition

Alternate Route to Certification	0	0	0	0	1	85,892	1	92,840
Total - General Fund	0	0	0	0	1	85,892	1	92,840

Background

The Alternate Route to Certification (ARC) is a teacher preparation program that annually prepares 220 adults who are looking to change careers and enter the teaching profession.

The ARC program generates revenue from program fees and pays for instructors, facility costs, administrative support, and accreditation.

Governor

Funding is reduced by \$85,892 in FY 14 and \$92,840 in FY 15, as the Program Director will be funded with student tuition and fees.

Legislative

Funding of \$85,892 is maintained in FY 14 and \$92,840 is maintained in FY 15 to continue to fund the ARC Program Director from the General Fund.

Remove Funding for Salary Increases for Appointed Officials

Personal Services	0	(8,304)	0	(17,445)	0	0	0	0
Total - General Fund	0	(8,304)	0	(17,445)	0	0	0	0

Governor

Reduce funding by \$8,304 in FY 14 and \$17,445 in FY 15 to reflect the elimination of salary increases for appointed officials.

Legislative

Same as Governor

Carry Forwards

Carry Forward Minority Advancement Program Funds

Minority Advancement Program	0	1,326,810	0	0	0	1,326,810	0	0
Total - Carry Forward Funding	0	1,326,810	0	0	0	1,326,810	0	0

Legislative

Pursuant to CGS Sec. 4-89(f), an estimated \$1,326,810 is carried forward into FY 14 in the Minority Advancement Program account. See the 'Reduce Funding from MAP to Reflect Anticipated Carry Forward,' write-up for additional funding information on this program.

Carry Forward Capitol Scholarship Program Funds

Governor's Scholarship	0	121,041	0	0	0	121,041	0	0
Total - Carry Forward Funding	0	121,041	0	0	0	121,041	0	0

Legislative

Pursuant to CGS Sec. 4-89(f); Sec. 179 of PA 13-247; and Sec. 14 of PA 12-1 (DSS), \$121,041 is carried forward from the former Capitol Scholarship Program into the newly created Governor's Scholarship Program. Pursuant to Sec. 14 of PA 12-1 (DSS) \$236,117 of the former Capitol Scholarship Program lapses and is not carried forward; therefore the remaining balance of \$121,041 is carried forward for the Governor's Scholarship Program.

Totals

Budget Components	Legislative				Difference from Governor Recommended			
	FY 14		FY 15		FY 14		FY 15	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
Governor Estimated - GF	15	50,599,438	15	50,599,438	0	0	0	0
Current Services	0	1,346,269	0	2,809,557	0	0	0	0
Policy Revisions	6	(5,606,578)	6	(4,730,153)	1	1,582,392	1	3,201,440
Total Recommended - GF	21	46,339,129	21	48,678,842	1	1,582,392	1	3,201,440

Other Significant Legislation**PA 13-247, An Act Implementing Provisions of the State Budget for the Biennium Ending June 30, 2015 Concerning General Government**

Sections 174-185 and 387 of the act establish the Governor's Scholarship program as a single, consolidated state financial aid program for Connecticut residents who are undergraduates at in-state public and private higher education institutions. The act replaces the state's existing undergraduate student aid programs: Connecticut Aid to Public College Students (CAPCS), Connecticut Independent College Student Grant (CICSG), the Capitol Scholarship, and Connecticut Aid to Charter Oak. It limits eligibility for the Governor's Scholarship to Connecticut residents enrolled in at least six semester credit hours and pursuing their first associate or bachelor degree. Additionally, the act establishes four award categories: (1) need and merit-based award, (2) need-based award, (3) performance incentive pool, and (4) Charter Oak Grant. The act also specifies how the appropriation for the program must be allocated across these categories and establishes reporting and audit requirements for the program. The budget includes \$42 million in FY 14 and \$43.6 million in FY 15 in the new Governor's Scholarship account to support the state financial aid program.

PA 13-208, An Act Concerning Various Revisions to the Public Health Statutes

Section 64 of the act requires any program, school, or entity that offers instruction in barbering or hairdressing for remuneration to obtain a certificate of authorization from the Office of Higher Education's (OHE) executive director. Under the act, each entity approved on or before July 1, 2013 by the Connecticut Examining Board for Barbers, Hairdressers, and Cosmeticians that applies to OHE for initial authorization must pay a \$500 application fee, which must be made payable to the General Fund's private occupational school student protection account. These entities would be subject to OHE's existing initial and renewal fees for private occupational school authorization certificates (\$2,000 for initial application if not previously authorized by the board, \$200 for a renewal, and \$200 for each initial and renewal branch authorization). Authorizations are renewable annually for the first three years, after which they are renewable for up to five years. The act prohibits an individual or entity from establishing a new barber or hairdressing entity on or after July 1, 2013 without first obtaining a certificate of authorization from OHE's executive director.

PA 13-184, An Act Concerning Expenditures and Revenue for the Biennium Ending June 30, 2015

Sections 11, 12 and 49 contain provisions that allow the Secretary of the Office of Policy and Management (OPM) to allocate specific lapses to state agencies in the three branches of government (these are typically called holdbacks). The agency's FY 14 appropriation levels will be reduced by the amounts shown in the table to achieve the lapses included in PA 13-184. This includes a General Lapse of \$7,365, a General Other Expenses Lapse of \$876, and a Statewide Hiring Reduction Lapse of \$4,881. See the FY 14 Holdbacks schedule in Section VI of this document for a further description of these statewide savings targets.

Account	Appropriation \$	Reduction Amount \$	Net Remaining \$	% Reduction
Personal Services	1,658,563	(11,802)	1,646,761	0.71%
Other Expenses	106,911	(1,320)	105,591	1.23%