



Board of Governors for Higher Education
Department of Higher Education
State of Connecticut

REPORT

Highlights

FY 2003

Mid-Biennial Operating Budget for Higher Education

July 2002

Board of Governors for Higher Education

Albert B. Vertefeuille, *Chair*

Harry H. Penner, Jr., *Vice Chair*

James H. Bates

William A. Bevacqua

Dorothea E. Brennan

Leonard S. Cohen

Joan R. Kemler

Dorothy B. Leib

Alice V. Meyer

Frank W. Ridley

Patricia McCann Vissepó

Valerie F. Lewis
Commissioner of Higher Education

Highlights

Approved Mid-Biennial Changes FY 2003 Operating Budget for Higher Education

- The total general fund budget:
 - calls for \$580.5 million for FY 2003, a reduction of \$30.0 million or 4.9 percent from the original appropriation of \$610.6 million,
 - results in a 2.2 percent increase from estimated FY 2002 expenditures, excluding the one-time FY 2001 operating surplus appropriation,
 - continues the Governor's reductions to operating budgets first initiated in FY 2001,
 - decreases funding for the Connecticut Independent Student Grant Program (CICSG) by 15.4 percent or \$2.9 million to \$15.9 million, 86.3 percent of formula funding, resulting in nearly 800 fewer recipients,
 - decreases funding for the Connecticut Aid for Public College Student Grant Program (CAPCS) by 6.6 percent or \$1.3 million to \$18.5 million, 63.7 percent of formula funding, resulting in over 750 fewer recipients,
 - reduces the Capitol Scholarship Program by 3.1 percent to \$5.25 million, limiting the state's ability to apply for supplemental federal matching funds and eliminating up to 635 grants,
 - lowers the Minority Teacher Incentive Program (MTIP) by 6.4 percent to \$506,709 bringing the number of new grant recipients below 50.
- The budget also includes:
 - reductions of 5 percent to the originally appropriated block grants of the University of Connecticut, Connecticut State University, and the Community-Technical College System and 3 percent for the Health Center and Charter Oak State College,
 - an overall reduction of nearly 10 percent to the DHE budget, including a reduction of 5.4 percent to the personal services line plus additional allotment reductions of 2 percent for a total reduction to salaries of 7.4 percent.
 - carryforward funding of \$657,000 for the Minority Advancement Program and \$100,000 for Trinity College's Saturday Academy;
 - the addition of \$430,976 to the operating budget of the Distance Learning Consortium, nearly doubling it;
- Funding of \$500,229 for higher education elements of the State Digital Library was included to replace monies rescinded from the FY 2002 budget in the November Special Session.
- As originally proposed in the Governor's recommendations, a one-time transfer of \$1 million was made from the Private Occupational School Student Protection Account to the general fund and legislation was included to lower the threshold for participating schools.
- Special powers, to take effect after October 1, 2002, have been granted to enable the Governor to make allotment rescissions in excess of those allowed under section 4-85 of the general statutes should budget resources be insufficient to finance appropriations. Section 4-85 allows the governor to rescind up to 5 percent of any line item or 3 percent of the total appropriation. The special powers allow an additional 5 percent, not to exceed \$35 million.
- The remaining FY 2001 surplus funds were used to help balance the FY 2002 books. This includes the FY 2003 Higher Education Matching Grant appropriation of nearly \$10 million.

**Connecticut Public Higher Education
General Fund Operating Budget
Mid-Biennial Adjustments**

Comparison to Original Appropriation

	<u>2001 Actual</u>	<u>2002 Estimated</u>	<u>2003 Appropriation</u>	<u>2003 Governor's Recommendation</u>	<u>2003 Appropriations Recommendation</u>	<u>2003 General Assembly Recommendation</u>	<u>2003 Final Appropriation</u>	<u>\$ Change from Appropriation</u>	<u>% Change from Appropriation</u>
University of Connecticut	\$179,170,207	\$186,315,872	\$203,860,050	\$198,769,486	\$198,024,352	198,469,486	193,667,047	(10,193,003)	-5.0%
UConn Health Center	72,207,713	72,979,303	76,290,687	75,289,811	75,289,811	75,289,811	74,289,811	(2,000,876)	-2.6%
Connecticut State University	130,556,391	135,524,490	146,257,148	143,431,619	141,657,415	143,131,619	138,947,291	(7,309,857)	-5.0%
Community-Technical Colleges	115,586,774	121,509,083	131,544,991	126,556,986	129,721,912	128,784,603	125,484,034	(6,060,957)	-4.6%
Charter Oak State College	1,743,773	1,756,220	1,979,263	2,385,611	2,374,611	2,370,239	2,370,239	390,976	19.8%
Dept. of Higher Education	49,898,596	50,237,469	50,619,039	47,845,261	51,382,164	48,690,939	45,787,660	(4,831,379)	-9.5%
Subtotal	\$549,163,454	\$568,322,437	\$610,551,178	\$594,278,774	\$598,450,265	\$596,736,697	\$580,546,082	(30,005,096)	-4.9%
Paid From Surplus	19,678,420	28,649,546	10,600,000					(10,600,000)	-100.0%
Total	\$568,841,874	\$596,971,983	\$621,151,178	\$594,278,774	\$598,450,265	\$596,736,697	\$580,546,082	(\$40,605,096)	-6.5%

Comparison to Estimated FY 2002

	<u>2001 Actual</u>	<u>2002 Estimated</u>	<u>2003 Appropriation</u>	<u>2003 Governor's Recommendation</u>	<u>2003 Appropriations Recommendation</u>	<u>2003 General Assembly Recommendation</u>	<u>2003 Final Appropriation</u>	<u>\$ Change from 2002</u>	<u>% Change from 2002</u>
University of Connecticut	\$179,170,207	\$186,315,872	\$203,860,050	\$198,769,486	\$198,024,352	198,469,486	193,667,047	7,351,175	3.9%
UConn Health Center	72,207,713	72,979,303	76,290,687	75,289,811	75,289,811	75,289,811	74,289,811	1,310,508	1.8%
Connecticut State University	130,556,391	135,524,490	146,257,148	143,431,619	141,657,415	143,131,619	138,947,291	3,422,801	2.5%
Community-Technical Colleges	115,586,774	121,509,083	131,544,991	126,556,986	129,721,912	128,784,603	125,484,034	3,974,951	3.3%
Charter Oak State College	1,743,773	1,756,220	1,979,263	2,385,611	2,374,611	2,370,239	2,370,239	614,019	35.0%
Dept. of Higher Education	49,898,596	50,237,469	50,619,039	47,845,261	51,382,164	48,690,939	45,787,660	(4,449,809)	-8.9%
Subtotal	\$549,163,454	\$568,322,437	\$610,551,178	\$594,278,774	\$598,450,265	\$596,736,697	\$580,546,082	12,223,645	2.2%
Paid From Surplus	19,678,420	28,649,546	10,600,000					(28,649,546)	-100.0%
Total	\$568,841,874	\$596,971,983	\$621,151,178	\$594,278,774	\$598,450,265	\$596,736,697	\$580,546,082	-\$16,425,901	-2.8%

**Department of Higher Education
FY 2001-03 Operating Budget**

Summary of Financial Aid Growth

Fiscal Year	Total Expenditure	Number of Recipients	Cummulative Change		
			#	Expend.	Recipients
1997	\$ 20,409,462	12,667			
1998	\$ 26,589,306	15,203	2536	30.3%	20.0%
1999	\$ 32,959,606	18,153	2950	61.5%	43.3%
2000	\$ 37,146,785	17,791	-362	82.0%	40.5%
2001	\$ 44,362,479	21,512	3721	117.4%	69.8%
Est. 2002	\$ 44,729,534	21,682	170	119.2%	71.2%
Governor's 2003	\$ 41,155,316	20,383	-1299	101.6%	60.9%
Five Percent	\$ 41,859,381	20,191	-1491	105.1%	59.4%
Final 2003	\$ 39,601,736	19,503	-2179	94.0%	54.0%

Summary of Capitol Scholarship Impact

Fiscal Year	Total Expenditures*	Number of Recipients	Annual Change		Average Award
			Recipients		
1997	\$ 2,678,557	2,341	(256)	-9.9%	\$ 1,144
1998	\$ 3,380,649	3,093	752	32.1%	\$ 1,093
1999	\$ 5,429,986	4,259	1,166	37.7%	\$ 1,275
2000	\$ 5,548,918	4,247	(12)	-0.3%	\$ 1,307
2001	\$ 5,826,289	4,215	(32)	-0.8%	\$ 1,383
Est. 2002	\$ 6,193,344	4,385	170	4.0%	\$ 1,412
Governor's 2003	\$ 5,250,000	3,750	(635)	-14.5%	\$ 1,400
Final 2003	\$ 5,250,000	3,750	(635)	-14.5%	\$ 1,400

Summary of Connecticut Aid to Public College Students Impact

Fiscal Year	Total Expenditures	Number of Recipients*	Annual Change		Average Award	Percent Funded
			Recipients			
1997	\$ 5,562,888	6,531	15	0.2%	\$ 852	26.0%
1998	\$ 8,696,398	8,037	1,506	23.1%	\$ 1,078	40.0%
1999	\$ 11,270,089	9,585	1,548	19.3%	\$ 1,176	51.0%
2000	\$ 14,493,668	9,060	(525)	-5.5%	\$ 1,600	65.0%
2001	\$ 19,759,261	12,510	3,450	38.1%	\$ 1,572	81.3%
Est. 2002	\$ 19,759,261	12,510	-	0.0%	\$ 1,572	77.3%
Governor's 2003	\$ 19,759,261	12,510	-	0.0%	\$ 1,572	68.1%
Five Percent	\$ 18,771,298	11,941	(569)	-4.5%	\$ 1,572	64.7%
Final 2003	\$ 18,462,872	11,745	(765)	-6.1%	\$ 1,572	63.7%

Summary of Connecticut Independent College Student Grant Impact

Fiscal Year	Total Expenditures	Number of Recipients	Annual Change		Average Award	Percent Funded
			Recipients			
1997	\$ 12,168,017	3,795	81	2.2%	\$ 3,206	74.0%
1998	\$ 14,512,259	4,073	278	7.3%	\$ 3,563	84.0%
1999	\$ 16,259,531	4,309	236	5.8%	\$ 3,773	89.0%
2000	\$ 17,104,199	4,484	175	4.1%	\$ 3,814	93.5%
2001	\$ 18,776,929	4,787	303	6.8%	\$ 3,964	99.9%
Est. 2002	\$ 18,776,929	4,787	-	0.0%	\$ 3,964	97.5%
Governor's 2003	\$ 16,146,055	4,123	(664)	-13.9%	\$ 3,964	99.5%
Five Percent	\$ 17,838,083	4,500	(287)	-6.0%	\$ 3,964	96.9%
Final 2003	\$ 15,888,864	4,008	(779)	-16.3%	\$ 3,964	86.3%

Formula expenditures are appropriation only.

Department of Higher Education
General Fund

	<u>FY 2001 Actual</u>	<u>FY2002 Revised</u>	<u>FY 2003 Appropriation</u>	<u>FY 2003 Governor Recommended</u>	<u>FY 2003 Appropriation Recommended</u>	<u>FY 2003 General Assembly Recommended</u>	<u>FY 2003 Final Appropriation</u>	<u>Change from Appropriation</u>
Personal Services	\$2,049,154	\$2,194,742	\$2,374,446	\$2,346,479	\$2,346,479	\$2,346,479	\$2,246,479	-5.4%
Other Expenses	188,205	202,406	210,134	202,434	202,434	199,397	199,397	-5.1%
Other Current Expenses								
Minority Advancement	2,374,497	2,523,430	2,656,242	2,523,430	3,405,459	3,367,608	2,485,579	-6.4%
Alternate Route to Cert.	10,685	27,033	27,033	27,033	27,033	27,033	27,033	
Student Community Service	14,357							
National Service Act	330,824	476,246	501,312	476,246	476,246	469,102	469,102	-6.4%
International Initiatives	225,000	225,000	350,000	225,000	225,000	221,625	221,625	-36.7%
Minority Teacher Incentive	461,500	514,425	541,500	514,425	514,425	506,709	506,709	-6.4%
Subtotal, OCE	\$3,416,863	\$3,766,134	\$4,076,087	\$3,766,134	\$4,648,163	\$4,592,077	\$3,710,048	-9.0%
Equipment			1,000	1,000	1,000	1,000	1,000	
Capitol Scholarship Grants	5,317,010	5,144,423	5,415,182	5,250,000	5,250,000	5,171,250	5,250,000	-3.1%
Awards to Children of								
Deceased/Disabled Veterans	3,600	6,000	6,000	4,000	4,000	4,000	4,000	-33.3%
CICSG	18,776,929	18,776,929	18,776,929	16,146,055	18,776,929	16,888,864	15,888,864	-15.4%
CAPCS	19,759,261	19,759,261	19,759,261	19,759,261	19,759,261	19,462,872	18,462,872	-6.6%
CT Aid to Charter Oak					24,000	25,000	25,000	
NEBHE	387,574	387,574		369,898	369,898			
TOTAL	\$49,898,596	\$50,237,469	\$50,619,039	\$47,845,261	\$51,382,164	\$48,690,939	\$45,787,660	
Change from Appropriation				-5.5%	1.5%	-3.8%	-9.5%	
Funded from Surplus								
Higher Ed. Matching Grant	6,378,420	8,727,652						
Statewide Digital Library	997,894	690,888						
Gear-Up Futures Fund		2,352,213						
Higher Ed. Asset Protection		439,782						
Ed. & Health Initiatives		1,279,058						
Eastern Energy Chair		470,443						
GRAND TOTAL	\$57,274,910	\$64,197,505	\$50,619,039	\$47,845,261	\$51,382,164	\$48,690,939	\$45,787,660	