

PA 25-71—sHB 6887

Higher Education and Employment Advancement Committee Appropriations Committee

AN ACT CONCERNING HIGHER EDUCATION MANAGEMENT AND FISCAL ACCOUNTABILITY

SUMMARY: This act 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 act requires the BOR to appoint a compliance officer by January 1, 2026, to conduct regular audits and report to the BOR (§ 3).

The act also specifies that constituent units of higher education (see BACKGROUND), as existing law requires 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).

EFFECTIVE DATE: July 1, 2025

POLICIES

Under the act, the BOR must adopt or amend certain policies, as outlined above, applicable to each constituent unit it oversees (the state universities, Charter Oak State College, and Connecticut State Community College) and the Connecticut State Colleges and Universities (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. allowable 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 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 recordkeeping, (2) how use is treated for compensation and taxes, and (3) accountability

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measures 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 act requires policies addressing residency requirements for executive positions such as chancellor, vice-chancellor, president, vice-president, and equivalent positions. The act 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 act 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, Charter Oak State College, and the CSCU central office, as often as the officer deems necessary. The audits must be 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, Connecticut State Community College, and Charter Oak State College.