



Senate

General Assembly

File No. 102

February Session, 2006

Substitute Senate Bill No. 453

Senate, March 23, 2006

The Committee on Higher Education and Employment Advancement reported through SEN. HARTLEY of the 15th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT ESTABLISHING A "YOU BELONG" LOAN REIMBURSEMENT GRANT PROGRAM FOR DOCTORAL GRADUATES WORKING IN ECONOMICALLY VALUABLE FIELDS.

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

1 Section 1. (NEW) (*Effective July 1, 2006*) (a) There is established a
2 "You Belong" Loan Reimbursement Grant program, administered by
3 the Department of Higher Education, for graduates of doctoral
4 programs who are employed in Connecticut in economically valuable
5 fields.

6 (b) Within available appropriations, the program shall provide
7 student loan reimbursement grants for persons who (1) have been
8 awarded a doctoral degree from any institution of higher education,
9 and (2) are newly employed in Connecticut in an economically
10 valuable field, as determined by the Department of Economic and
11 Community Development, on or after January 1, 2006, by a company
12 or an institution of higher education that has registered with or
13 otherwise been qualified under the program by the Department of

14 Economic and Community Development.

15 (c) Persons who qualify under subsections (b) and (d) of this section
16 shall receive reimbursement grants on an annual basis for qualifying
17 student loan payments in amounts as determined by the
18 Commissioner of Higher Education. A person qualifying under
19 subsections (b) and (d) of this section shall only be reimbursed for loan
20 payments made while such person is employed in Connecticut by a
21 qualifying company or in research at an institution of higher education
22 in an economically valuable field. The Department of Higher
23 Education shall develop eligibility requirements for recipients of such
24 reimbursement grants in consultation with the Department of
25 Economic and Community Development. Such requirements may
26 include income guidelines. Persons may apply for grants to the
27 Department of Higher Education at such time and in such manner as
28 the Commissioner of Higher Education prescribes.

29 (d) The recipients of reimbursement grants pursuant to this section
30 for the fiscal year ending June 30, 2007, and each succeeding fiscal
31 year, shall constitute a cohort and reimbursement grants for
32 succeeding years shall only be available for members of such cohort.

33 (e) Any unexpended funds appropriated for purposes of this section
34 shall not lapse at the end of the fiscal year but shall be available for
35 expenditure during the next fiscal year.

36 (f) The Department of Higher Education may use up to two per cent
37 of the funds appropriated for purposes of this section for program
38 administration, promotion and recruitment activities.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2006	New section

HED Joint Favorable Subst.

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 07 \$	FY 08 \$
Department of Economic & Community Development; Higher Ed., Dept.	GF - Cost	Potential	Potential

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill requires the Department of Higher Education (DHE), in consultation with the Department of Economic and Community Development (DECD), to establish a "You Belong" loan reimbursement program within available appropriations.

The bill requires the DHE to disburse loan payments, in the amount determined by the Commissioner of Higher Education, to eligible individuals. Additionally, DHE and DECD shall develop eligibility guidelines for potential applicants.

It is anticipated that the Department of Economic and Community Development (DECD) will require an additional Economic Development Agent at a cost of \$68,000 in FY 07 plus fringe benefits¹ and \$5,000 in additional other expense funds to qualify and register

¹ The fringe benefit costs for state employees are budgeted centrally in the Miscellaneous Accounts administered by the Comptroller. The estimated first year fringe benefit rate as a percentage of payroll is 23.6%, effective July 1, 2005. The first year fringe benefit costs for new positions do not include pension costs. The state's pension contribution is based upon the prior year's certification by the actuary for the State Employees Retirement System (SERS). The SERS 2005-06 fringe benefit rate is 34.7%, which when combined with the non pension fringe benefit rate would total 58.3%.

companies for the eligibility requirements associated with the “You Belong” program.

The requirements of the bill are to be done within available appropriations. However, since no funding has been appropriated to the DHE or DECD, they would be unable to set up, administer, promote, or recruit for the program without redirecting funds from another source.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sSB 453****AN ACT ESTABLISHING A "YOU BELONG" LOAN REIMBURSEMENT GRANT PROGRAM FOR DOCTORAL GRADUATES WORKING IN ECONOMICALLY VALUABLE FIELDS.****SUMMARY:**

This bill creates a grant program to reimburse people who hold doctoral degrees for payments they make on student loans. Eligible candidates must (1) hold a doctorate from any college or university, (2) have started working in Connecticut in an "economically valuable field" after December 31, 2005, and (3) be employed by a company or university registered with or qualified by the Economic and Community Development Department (DECD). The DECD commissioner determines economically valuable fields.

The Department of Higher Education (DHE) administers the program and determines eligibility requirements and annual reimbursements. It can use up to 2% of the grant appropriation for program administration, promotion, and recruitment activities.

EFFECTIVE DATE: July 1, 2006

LOAN REIMBURSEMENT GRANT PROGRAM

The "You Belong" program must operate within available appropriations. The bill requires DHE to (1) develop eligibility requirements for reimbursement recipients, which can include income guidelines, and (2) prescribe application dates and procedures. The commissioner determines the annual reimbursements for "qualifying" student loan payments. The bill does not state what payments qualify. A recipient can receive reimbursement grants only for loan payments he or she makes while employed in an economically valuable field by a

qualifying company or by a college or university in a research capacity in such a field.

Beginning in FY 07, and for each succeeding fiscal year, the bill requires grant recipients be grouped into a cohort. Grants for succeeding years are available only for members of that cohort. It is not clear whether each cohort comprises only those individuals who first receive a grant in that fiscal year or includes everyone who receives a grant in a particular fiscal year. Unspent appropriations do not lapse and must be carried forward to the next fiscal year.

COMMITTEE ACTION

Higher Education and Employment Advancement Committee

Joint Favorable Substitute

Yea 20 Nay 0 (03/14/2006)