



General Assembly

Substitute Bill No. 454

February Session, 2006

* SB00454HED 031406 *

**AN ACT ESTABLISHING THE CONNECTICUT IMAGINATION
CHALLENGE GRANT PROGRAM.**

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

1 Section 1. (NEW) (*Effective July 1, 2006*) (a) As used in this section:
2 (1) "Challenge grant fund eligible gift" means a gift to or for the benefit
3 of any of the state universities of the Connecticut State University
4 system or the system as a whole of cash or assets which may be
5 reduced to cash or which has the value that is ascertainable by the state
6 universities or the system as a whole and which the donor has
7 specifically designated for deposit in the Connecticut Imagination
8 Challenge Grant Fund or which explicitly or implicitly by the terms of
9 the gift, the universities or the system as a whole may and does deposit
10 or permit to be deposited in the challenge grant funds; and (2)
11 "challenge grant fund state grant" means moneys transferred by the
12 Department of Higher Education to the Connecticut Imagination
13 Challenge Grant Fund established pursuant to this section.

14 (b) (1) The Board of Trustees of the Connecticut State University
15 System shall establish a permanent Connecticut Imagination Challenge
16 Grant Fund for the Connecticut State University system to encourage
17 donations from the private sector, with an incentive in the form of a
18 challenge grant fund state grant, the net earnings on the principal of
19 which are dedicated and made available to a state university or the

20 Connecticut State University system as a whole, for endowed research
21 and development. The fund shall be administered by the board of
22 trustees, and such fund shall be held separate and apart from all other
23 funds and accounts of the state and university. There shall be
24 deposited into the challenge grant fund: (A) Challenge grant fund state
25 grants; and (B) interest or other earnings from the investment of
26 moneys in the challenge grant fund pending transfer of the principal of
27 the fund for the purposes identified in this subdivision. Challenge
28 grant fund eligible gifts made on behalf of a state university or the
29 system as a whole shall be deposited in a permanent fund created for
30 each such state university and the system as a whole in the appropriate
31 foundation established pursuant to sections 4-37e and 4-37f of the
32 general statutes. A portion of the challenge grant fund state grant and
33 a portion of earnings on such grant, including capital appreciation,
34 shall be transferred, annually, not later than thirty days after the
35 receipt of the challenge grant fund state grant by the permanent
36 Connecticut Imagination Challenge Grant Fund, to such a state
37 university challenge grant fund based on the ratio of the total amount
38 of such gifts made to such state university to the total amount of all
39 such gifts made to all the state universities and the system as a whole,
40 provided the provisions of section 4-37f of the general statutes are
41 satisfied.

42 (2) For the fiscal year ending June 30, 2007, and each fiscal year
43 thereafter, the Department of Higher Education, in accordance with
44 section 10a-8b of the general statutes, shall deposit in the challenge
45 grant fund for the Connecticut State University system a grant in an
46 amount equal to one-quarter of the total amount of challenge grant
47 fund eligible gifts received by or for the benefit of the Connecticut
48 State University system as a whole and each state university for the
49 calendar year ending the December thirty-first preceding the
50 commencement of such fiscal year, as certified by the chairperson of
51 the board of trustees by February fifteenth to (A) the Secretary of the
52 Office of Policy and Management, (B) the joint standing committee of
53 the General Assembly having cognizance of matters relating to

54 appropriations and the budgets of state agencies, and (C) the
55 Commissioner of Higher Education.

56 (3) The Board of Trustees of the Connecticut State University System
57 shall adopt, by October 1, 2007, guidelines with respect to (A) the
58 solicitation of challenge grant fund eligible gifts from private donors,
59 and (B) governing the acceptance of gifts made by a foundation
60 established pursuant to sections 4-37e and 4-37f of the general statutes,
61 to a state university or its employees for reimbursement of
62 expenditures or payment of expenditures on behalf of a state
63 university or its employees. Private donations shall not be construed to
64 include proceeds of federal grants but may include proceeds of
65 municipal grants.

66 Sec. 2. (NEW) (*Effective July 1, 2006*) (a) As used in this section: (1)
67 "Challenge grant fund eligible gift" means a gift to or for the benefit of
68 The University of Connecticut of cash or assets which may be reduced
69 to cash or which has the value that is ascertainable by The University
70 of Connecticut and which the donor has specifically designated for
71 deposit in The University of Connecticut Imagination Challenge Grant
72 Fund or which explicitly or implicitly by the terms of the gift, The
73 University of Connecticut may and does deposit or permit to be
74 deposited in said challenge grant fund; and (2) "challenge grant fund
75 state grant" means moneys transferred by the Department of Higher
76 Education to The University of Connecticut Imagination Challenge
77 Grant Fund established pursuant to this section.

78 (b) (1) The Board of Trustees of The University of Connecticut shall
79 establish a permanent University of Connecticut Imagination
80 Challenge Grant Fund to encourage donations from the private sector,
81 with an incentive in the form of a challenge grant fund state grant, the
82 net earnings on the principal of which are dedicated and made
83 available to The University of Connecticut for endowed research and
84 development. The fund shall be administered by the board of trustees
85 and such fund shall be held in a trust fund separate and apart from all
86 other funds and accounts of the state and university. There shall be

87 deposited into the challenge grant fund: (A) Challenge grant fund state
88 grants; and (B) interest or other earnings from the investment of
89 moneys in the challenge grant fund pending transfer of the principal of
90 the fund for the purposes identified in this subdivision. Challenge
91 grant fund eligible gifts made on behalf of The University of
92 Connecticut shall be deposited in the challenge grant fund in the
93 appropriate foundation established pursuant to sections 4-37e and
94 4-37f of the general statutes.

95 (2) For the fiscal year ending June 30, 2007, and each fiscal year
96 thereafter, the Department of Higher Education, in accordance with
97 section 10a-8b of the general statutes, shall deposit in the challenge
98 grant fund a grant in an amount equal to one-quarter of the total
99 amount of challenge grant fund eligible gifts received by or for the
100 benefit of The University of Connecticut for the calendar year ending
101 the December thirty-first preceding the commencement of such fiscal
102 year, as certified by the chairperson of the board of trustees by
103 February fifteenth to (A) the Secretary of the Office of Policy and
104 Management, (B) the joint standing committee of the General
105 Assembly having cognizance of matters relating to appropriations and
106 the budgets of state agencies, and (C) the Commissioner of Higher
107 Education.

108 (3) The Board of Trustees of The University of Connecticut shall
109 adopt, by October 1, 2007, guidelines with respect to (A) the
110 solicitation of challenge grant fund eligible gifts from private donors,
111 and (B) governing the acceptance of gifts made by a foundation
112 established pursuant to sections 4-37e and 4-37f of the general statutes,
113 to the university or its employees for reimbursement of expenditures
114 or payment of expenditures on behalf of the university or its
115 employees. Private donations shall not be construed to include
116 proceeds of federal grants but may include proceeds of municipal
117 grants.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>July 1, 2006</i>	New section
Sec. 2	<i>July 1, 2006</i>	New section

HED *Joint Favorable Subst.*