



**Substitute Senate Bill No. 1074**

**Public Act No. 07-108**

**AN ACT CONCERNING THE CONNECTICUT HIGHER EDUCATION  
SUPPLEMENTAL LOAN AUTHORITY AND THE SCHEDULE OF  
ESTIMATED COSTS OF UCONN 2000 PROJECTS.**

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

Section 1. Subsection (a) of section 10a-224 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007*):

(a) There is created a body politic and corporate to be known as the "Connecticut Higher Education Supplemental Loan Authority". The authority is constituted a public instrumentality and political subdivision of the state and the exercise by the authority of the powers conferred by this chapter shall be deemed and held to be the performance of an essential public and governmental function. The powers of the authority shall be vested in and exercised by a board of directors which shall consist of eight members, one of whom shall be the State Treasurer, one of whom shall be the Secretary of the Office of Policy and Management and one of whom shall be the Commissioner of Higher Education, each serving *ex officio*, and five of whom shall be residents of the state appointed by the Governor, not more than three of such appointed members to be members of the same political party. Three of the appointed members shall be active or retired trustees,

**Substitute Senate Bill No. 1074**

directors, officers or employees of Connecticut institutions for higher education. [, of whom not more than one shall be from a constituent unit of the state system of higher education.] At least one of the appointed members shall be a person having a favorable reputation for skill, knowledge and experience in the higher education loan finance field, and at least one of such appointed members shall be a person having a favorable reputation for skill, knowledge and experience in state and municipal finance, either as a partner, officer or employee of an investment banking firm which originates and purchases state and municipal securities, or as an officer or employee of an insurance company or bank whose duties relate to the purchase of state and municipal securities as an investment and to the management and control of a state and municipal securities portfolio. Of the three members first appointed who are trustees, directors, officers or employees of Connecticut institutions for higher education, one shall serve until July 1, 1986, one shall serve until July 1, 1987, and one shall serve until July 1, 1988. Of the three remaining members first appointed, one shall serve until July 1, 1983, one shall serve until July 1, 1984, and one shall serve until July 1, 1985. On or before the first day of July, annually, the Governor shall appoint a member or members to succeed those whose terms expire, each for a term of six years and until his successor is appointed and has qualified. The Governor shall fill any vacancy for the unexpired term. A member of the board shall be eligible for reappointment. Any member of the board may be removed by the Governor for misfeasance, malfeasance or wilful neglect of duty. Each member of the board before entering upon his or her duties shall take and subscribe the oath or affirmation required by section 1 of article eleventh of the State Constitution. A record of each such oath shall be filed in the office of the Secretary of the State. The State Treasurer, the Secretary of the Office of Policy and Management and the Commissioner of Higher Education may each designate a deputy or any staff member to represent him as a member at meetings of the board with full power to act and vote on his behalf.

**Substitute Senate Bill No. 1074**

Sec. 2. Section 10a-225 of the general statutes is amended by adding subsection (d) as follows (*Effective July 1, 2007*):

(NEW) (d) (1) The authority may develop and require the use of a master promissory note for education loans. Each master promissory note shall allow borrowers to receive, in addition to initial education loans, additional education loans for the same or subsequent periods of enrollment. Each master promissory note shall include a provision stating that the note shall be governed by and construed pursuant to the laws of the state of Connecticut.

(2) Notwithstanding any provision of the general statutes or any regulation adopted pursuant to said statutes, each education loan made under a master promissory note pursuant to this subsection may be sold or assigned independently of any other education loan made under the same master promissory note and each such loan shall be separately enforceable on the basis of an original or copy of the master promissory note in accordance with the terms of the master promissory note.

(3) Notwithstanding any provision of the general statutes, each such master promissory note shall be fully negotiable within the meaning and for all purposes of title 42a, regardless of whether the form and character of such master promissory note qualifies under the terms of the provisions of title 42a.

(4) The authority may pledge all or any part of its interest in any such master promissory note or the education loan evidenced by such note as security for any issue of bonds or notes or any other obligations. Such pledge shall be valid and binding from the time when the pledge is made; the interest so pledged by the authority shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding against all parties having claims of any kind in tort,

**Substitute Senate Bill No. 1074**

contract or otherwise against the authority or any participating institution for higher education, irrespective of whether such parties have notice of the lien. Such lien shall have priority over all other liens, including, without limitation, the lien of any person who in the ordinary course of business furnishes services or materials to the authority. Notwithstanding the provisions of title 42a, neither the bond resolution nor any financing statement, continuation statement or other instrument by which a pledge or security interest is created or by which the authority's interest in such master promissory notes is assigned need be filed in any public records in order to perfect the security interest or lien thereof as against third parties. Any outright sale by the authority of any education loan evidenced by such a master promissory note shall be effective and perfected automatically upon attachment as defined in title 42a.

Sec. 3. Section 10a-230 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007*):

(a) The authority may from time to time issue revenue bonds for any corporate purpose and all such revenue bonds, notes, bond anticipation notes or other obligations of the authority issued pursuant to this chapter shall be and are hereby declared to be negotiable for all purposes notwithstanding their payment from a limited source and without regard to any other law or laws. In anticipation of the sale of such revenue bonds, the authority may issue negotiable bond anticipation notes and may renew the same from time to time, but the maximum maturity of any such note, including renewals [thereof,] of such notes shall not exceed five years from the date of issue of the original note. Such notes shall be paid from any revenues of the authority available therefor and not otherwise pledged, or from the proceeds of sale of the revenue bonds of the authority in anticipation of which they were issued. The notes shall be issued in the same manner as the revenue bonds. Such notes and the resolution or

***Substitute Senate Bill No. 1074***

resolutions authorizing the same may contain any provisions, conditions or limitations which a bond resolution of the authority may contain.

(b) The revenue bonds and notes of every issue shall be payable solely out of the revenues of the authority pertaining to the program relating to such bonds or notes including principal and interest on authority loans and education loans, and any other revenues derived from or in connection with any other authority loans and education loans, payments by participating institutions for higher education, banks, guarantors, insurance companies or others pursuant to letters of credit or purchase agreements, investment earnings from funds or accounts maintained pursuant to the bond resolution, insurance proceeds, loan funding deposits, proceeds of sales of education loans, proceeds of refunding bonds and fees, charges and other revenues, funds and other assets of the authority but subject only to any agreements with the holders of particular revenue bonds or notes pledging any particular revenues and subject to any agreements with any participating institution for higher education.

(c) The revenue bonds or notes may be issued as serial bonds or notes or as term bonds or notes, or the authority, in its discretion, may issue bonds or notes of both types. The revenue bonds or notes shall be authorized by resolution of the members of the board of directors of the authority and shall bear such date or dates, mature at such time or times, not exceeding the year following the last year in which the final payments in an education loan series portfolio are due, or thirty years from the date of issuance, whichever is sooner, from their respective dates, bear interest at such rate or rates, payable at such time or times, be in such denominations, be in such form either coupon or registered, carry such registration or conversion privileges, be executed with manual or facsimile signatures in such manner, be payable in lawful money of the United States at such place or places, and be subject to

***Substitute Senate Bill No. 1074***

such terms of redemption, as such resolution or resolutions may provide. Such resolution or resolutions may delegate to the executive director, assistant executive director or any member of the board of directors of the authority, or any combination of them, the power to determine any of the matters set forth in this section and the power to award the bonds to a purchaser or purchasers at public sale or to negotiate a sale to a purchaser or purchasers. The revenue bonds or notes may be sold for such price or prices as the authority shall determine. Pending preparation of the definitive bonds, the authority may issue interim receipts or certificates which shall be exchanged for such definitive bonds.

(d) Any resolution or resolutions authorizing any revenue bonds or any issue of revenue bonds may contain provisions, which shall be a part of the contract with the holders of the revenue bonds to be authorized, as to: (1) Pledging all or any part of the revenues, funds or other assets of the authority, including, but not limited to, the authority loans and education loans to secure such bonds or notes; (2) pledging all or any part of the revenues paid to the authority by any guarantor or insurance company; (3) pledging any revenue-producing contract or contracts made by the authority with any individual, partnership, corporation or association or other body, public or private, or any federally guaranteed security and moneys received or receivable therefrom whether such security is acquired by the authority or a participating institution for higher education to secure the payment of the revenue bonds or notes or of any particular issue of revenue bonds or notes, subject to such agreements with bondholders or noteholders as may then exist; (4) the fees and other amounts to be charged, and the sums to be raised in each year thereby, and the use, investment and disposition of such sums; (5) the establishment and setting aside of reserves or sinking funds, the setting aside of loan funding deposits, capitalized interest accounts, and cost of issuance accounts, and the regulation and disposition thereof; (6) limitations on

**Substitute Senate Bill No. 1074**

the use of the education loans; (7) limitations on the purpose to which the proceeds of the sale of any issue of revenue bonds or notes then or thereafter to be issued may be applied, including as authorized purposes, all costs and expenses necessary or incidental to the issuance of bonds, to the acquisition of or commitment to acquire any federally guaranteed security and pledging such proceeds to secure the payment of the revenue bonds, notes or any issue of the revenue bonds or notes; (8) limitations on the issuance of additional bonds or notes, the terms upon which additional bonds or notes may be issued and secured and the terms on which additional bonds or notes rank on a parity with, or be subordinate or superior to, other bonds or notes; (9) the refunding of outstanding bonds or notes; (10) the procedure, if any, by which the terms of any contract with bondholders or noteholders may be amended or abrogated, the amount of bonds or notes the holders of which must consent thereto, and the manner in which such consent may be given; (11) limitations on the amount of moneys derived from the educational program to be expended for operating, administrative or other expenses of the authority; (12) defining the acts or omissions to act which shall constitute a default in the duties of the authority to holders of its obligations and providing the rights and remedies of such holders in the event of default; (13) the duties, obligations and liabilities of any trustee or paying agent; (14) providing for guarantees, pledges of endowments, letters of credit, property or other security for the benefit of the holders of such bonds or notes; and (15) any other matters relating to the bonds or notes which the authority deems desirable.

(e) Subject to the approval of the State Treasurer or the Treasurer's deputy appointed pursuant to section 3-12, required under subsection (b) of section 1-124, in connection with, or incidental to:

(1) The issuance or carrying of bonds, notes or other obligations of the authority, or the acquisition or carrying of any investment or

***Substitute Senate Bill No. 1074***

program of investment, the authority may enter into any contract which the authority determines to be necessary or appropriate to place the obligation or investment of the authority, as represented by the bonds, notes or other obligations, investment or program of investment and the contract or contracts, in whole or in part, on the interest rate, cash flow or other basis desired by the authority, including, without limitation, contracts commonly known as interest rate swap agreements, forward payment conversion agreements, futures or contracts providing for payments based on levels of, or changes in, interest rates, stock or other indices, or contracts to exchange cash flows or a series of payments, or contracts, including, without limitation, interest rate floors or caps, options, puts or calls to hedge payment, rate, spread or similar exposure or contracts for the purchase of option rights with respect to the mandatory tender for purchase of bonds, notes or other obligations of the authority, which are subject to mandatory tender or redemption, including the issuance of certificates evidencing the right of the owner to exercise such option rights. Such contracts or agreements may also be entered into by the authority in connection with, or incidental to, entering into or maintaining any agreement which secures its bonds, notes or other obligations, subject to the terms and conditions of the agreement respecting outstanding obligations. In entering into any such contract or agreement, the authority shall give due consideration to the creditworthiness of the counter party or counter parties, including any rating by a nationally recognized rating agency, the impact on any rating on outstanding bonds or notes of the authority or any other criteria as the authority may deem appropriate, provided the unsecured long-term obligations of the counter party are rated the same or higher than the underlying rating of the authority on the applicable bonds or notes by at least one nationally recognized rating agency. For purposes of this subsection, counter party includes any party providing an unconditional guaranty of the obligations of the counter party under such contract or agreement; and

***Substitute Senate Bill No. 1074***

(2) The issuance or carrying of bonds, notes or other obligations or entering into any of the contracts or agreements referred to in subdivision (1) of this subsection, the authority may enter into credit enhancement or liquidity agreements, or other necessary or appropriate agreements, with payment, interest rate, security, default, remedy and other terms and conditions as the authority determines, and the authority may pledge all of any part of the collateral that secures the applicable bonds or notes, to the authority's payment obligations under any contract or agreement entered into pursuant to this subsection. Such pledge shall be valid and binding from the time when the pledge is made; the interest so pledged by the authority shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding against all parties having claims of any kind in tort, contract or otherwise against the authority or any participating institution of higher education, irrespective of whether such parties have notice thereof. Such lien shall have priority over all other liens, including, without limitation, the lien of any person who in the ordinary course of business furnishes services or materials to the authority. Notwithstanding the provisions of title 42a, neither the bond resolution nor any financing statement, continuation statement or other instrument by which a pledge or security interest is created or by which the authority's interest in such collateral is assigned need be filed in any public records in order to perfect the security interest or lien thereof as against third parties. The authority's obligations under any contract or agreement entered into pursuant to this subsection may be enforced as provided in section 10a-235.

[(e)] (f) Neither the members of the board of directors of the authority nor any person executing the revenue bonds or notes shall be liable personally on the revenue bonds or notes or be subject to any personal liability or accountability by reason of the issuance thereof.

**Substitute Senate Bill No. 1074**

[(f)] (g) The authority shall have power out of any funds available therefor to purchase its bonds or notes. The authority may hold, pledge, cancel or resell such bonds or notes subject to and in accordance with the agreements with bondholders.

Sec. 4. Subsection (b) of section 12-742 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007*):

(b) (1) In cases where any person or entity is due a refund of state income taxes, and that same person is in default of a student loan made or guaranteed by the Connecticut Student Loan Foundation or the Connecticut Higher Education Supplemental Loan Authority, the Connecticut Student Loan Foundation or the Connecticut Higher Education Supplemental Loan Authority, as appropriate, shall notify the Commissioner of Administrative Services of such default. The Commissioner of Revenue Services, upon notification by the Commissioner of Administrative Services, shall withhold the payment of said refund to such person to the extent of such default, provided the Commissioner of Revenue Services shall notify such person in default that he or she has the right to a hearing before an officer designated by the Commissioner of Administrative Services if he or she contests the validity or amount of the Commissioner of Administrative Services' claim. If the person in default fails to apply in writing to the Commissioner of Administrative Services for a hearing within sixty days of the issuance of notice of withholding, the Commissioner of Revenue Services shall remit the amount of the withheld refund to the Commissioner of Administrative Services, who in turn shall remit the amount of such withheld refund to the Connecticut Student Loan Foundation or the Connecticut Higher Education Supplemental Loan Authority, as appropriate. If the person in default elects an administrative hearing within this time, the Commissioner of Revenue Services shall remit the amount of the

**Substitute Senate Bill No. 1074**

withheld refund in accordance with any decisions of the hearing officer or the court upon an appeal of the hearing officer's decision. If a person in default also owes a debt or obligation described in subsection (a) of this section, the refund shall be applied against such debt or obligation before being credited against the amount of the default.

(2) The Commissioner of Revenue Services, the Commissioner of Administrative Services, [and] the president of the Connecticut Student Loan Foundation or the executive director of the Connecticut Higher Education Supplemental Loan Authority, as appropriate, on behalf of such corporation, shall enter into an agreement for the crediting of income tax refunds against the amount a taxpayer is in default of a loan pursuant to subdivision (1) of this subsection. The agreement shall include procedures for the Connecticut Student Loan Foundation or the Connecticut Higher Education Supplemental Loan Authority, as appropriate, to (A) notify the Commissioner of Administrative Services of a default, and the amount of the default, and (B) reimburse the Department of Administrative Services and the Department of Revenue Services for any costs incurred by the departments in carrying out the provisions of this subsection.

Sec. 5. Subsection (a) of section 10a-109e of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007*):

(a) The university may administer, manage, schedule, finance, further design and construct UConn 2000, to operate and maintain the components thereof in a prudent and economical manner and to reserve for and make renewals and replacements thereof when appropriate, it being hereby determined and found to be in the best interest of the state and the university to provide this independent authority to the university along with providing assured revenues therefor as the efficient and cost effective course to achieve the

**Substitute Senate Bill No. 1074**

objective of avoiding further decline in the physical infrastructure of the university and to renew, modernize, enhance and maintain such infrastructure, the particular project or projects, each being hereby approved as a project of UConn 2000, and the presently estimated cost thereof being as follows:

UConn 2000 Project	Phase I Fiscal Years 1996-1999	Phase II Fiscal Years 2000-2005	Phase III Fiscal Years 2005-2015
Agricultural Biotechnology Facility	9,400,000		
Agricultural Biotechnology Facility Completion		10,000,000	
Alumni Quadrant Renovations		14,338,000	
Arjona and Monteith (new classroom buildings)			66,100,000
Avery Point Campus Undergraduate and Library Building			35,000,000
Avery Point Marine Science Research Center - Phase I	34,000,000		

**Substitute Senate Bill No. 1074**

Avery Point Marine Science Research Center - Phase II	16,682,000	
Avery Point Renovation	5,600,000	
Babbidge Library	0	
Balancing Contingency	5,506,834	
Beach Hall Renovations		10,000,000
Benton State Art Museum Addition	1,400,000	3,000,000
Biobehavioral Complex Replacement		4,000,000
Bishop Renovation		8,000,000
Budds Building Renovation	2,805,000	
Business School Renovation	4,803,000	

**Substitute Senate Bill No. 1074**

Chemistry Building	53,700,000	
Commissary Warehouse		1,000,000
Deferred Maintenance/ Code/ADA Renovation Lump Sum	39,332,000	215,000,000
Deferred Maintenance & Renovation Lump Sum Balance	104,668,000	
East Campus North Renovations	11,820,000	
Engineering Building (with Environmental Research Institute)		[42,700,000] <u>36,700,000</u>
Equine Center	1,000,000	
Equipment, Library Collections & Telecommunications	60,500,000	200,000,000
Equipment, Library Collections &		

**Substitute Senate Bill No. 1074**

Telecommunications Completion	182,118,146	
Family Studies (DRM) Renovation		6,500,000
Farm Buildings Repairs/ Replacement		6,000,000
Fine Arts Phase II		20,000,000
Floriculture Greenhouse		3,000,000
Gant Building Renovations		[40,000,000] <u>34,000,000</u>
Gant Plaza Deck	0	
Gentry Completion		10,000,000
Gentry Renovation	9,299,000	
Grad Dorm Renovations	7,548,000	
Gulley Hall Renovation	1,416,000	
Hartford Relocation		

**Substitute Senate Bill No. 1074**

Acquisition/Renovation		56,762,020
Hartford Relocation Design	1,500,000	
Hartford Relocation Feasibility Study	500,000	
Heating Plant Upgrade	10,000,000	
Hilltop Dormitory New		30,000,000
Hilltop Dormitory Renovations		3,141,000
Ice Rink Enclosure	2,616,000	
Incubator Facilities		10,000,000
International House Conversion		800,000
Intramural, Recreational and Intercollegiate Facilities		31,000,000
Jorgensen Renovation		7,200,000
Koons Hall Renovation/		

**Substitute Senate Bill No. 1074**

Addition		7,000,000
Lakeside Renovation		3,800,000
Law School Renovations/ Improvements		15,000,000
Library Storage Facility		5,000,000
Litchfield Agricultural Center- Phase I	1,000,000	
Litchfield Agricultural Center-Phase II		700,000
Manchester Hall Renovation		6,000,000
Mansfield Apartments Renovation	2,612,000	
Mansfield Training School Improvements	27,614,000	29,000,000
Natural History Museum Completion		4,900,000

**Substitute Senate Bill No. 1074**

North Campus Renovation	2,654,000	
North Campus Renovation Completion		21,049,000
North Hillside Road Completion		11,500,000
North Superblock Site and Utilities	8,000,000	
Northwest Quadrant Renovation	2,001,000	
Northwest Quadrant Renovation		15,874,000
Observatory		1,000,000
<u>Old Central Warehouse</u>		<u>18,000,000</u>
Parking Garage #3		15,000,000
Parking Garage - North	10,000,000	
Parking Garage - South		15,000,000

**Substitute Senate Bill No. 1074**

Pedestrian Spinepath		2,556,000
Pedestrian Walkways		3,233,000
Psychology Building Renovation/ Addition		20,000,000
Residential Life Facilities		90,000,000
Roadways		10,000,000
School of Business	20,000,000	
School of Pharmacy/Biology	3,856,000	
School of Pharmacy/Biology Completion		61,058,000
Shippee/Buckley Renovations		6,156,000
Social Science K Building		20,964,000
South Campus Complex	13,127,000	
Stamford Campus Improvements		3,000,000

**Substitute Senate Bill No. 1074**

Stamford Downtown		
Relocation-Phase I	45,659,000	
Stamford Downtown		
Relocation-Phase II		17,392,000
Storrs Hall Addition		4,300,000
Student Health Services		12,000,000
Student Union Addition		23,000,000
Support Facility (Architectural and Engineering Services)		2,000,000
Technology Quadrant- Phase 1A	38,000,000	
Technology Quadrant- Phase IB		16,611,000
Technology Quadrant- Phase II		72,000,000
Technology Quadrant-		

**Substitute Senate Bill No. 1074**

Phase III	15,000,000	
Torrey Life Science Renovation	17,000,000	
Torrey Renovation Completion and Biology Expansion		[48,000,000] <u>42,000,000</u>
Torrington Campus Improvements		1,000,000
Towers Renovation	17,794,000	
UConn Products Store		1,000,000
Undergraduate Education Center	650,000	
Undergraduate Education Center	7,450,000	
Underground Steam & Water Upgrade	3,500,000	
Underground Steam & Water Upgrade		

**Substitute Senate Bill No. 1074**

Completion		9,000,000
University Programs		
Building – Phase I	8,750,000	
University Programs		
Building – Phase II		
Visitors Center		300,000
Waring Building Conversion	7,888,000	
Waterbury Downtown		
Campus		3,000,000
Waterbury Property		
Purchase	325,000	
West Campus Renovations		14,897,000
West Hartford Campus		
Renovations/ Improvements		25,000,000
White Building Renovation	2,430,000	
Wilbur Cross Building		
Renovation		3,645,000

**Substitute Senate Bill No. 1074**

Young Building Renovation /Addition	17,000,000
HEALTH CENTER	
CLAC Renovation	
Biosafety Level 3 Lab	14,000,000
Deferred Maintenance/ Code/ADA Renovation Sum - Health Center	50,000,000
Dental School Renovation	5,000,000
Equipment, Library Collections and Telecommunications - Health Center	75,000,000
Library/Student Computer Center Renovation	5,000,000
Main Building Renovation	75,000,000
Medical School Academic	

**Substitute Senate Bill No. 1074**

Building Renovation			9,000,000
Parking Garage - Health Center			8,400,000
Research Tower			60,000,000
Support Building Addition/ Renovation			4,000,000
Total - Storrs and Regional Campus Project List			1,043,000,000
Total - Health Center Project List			305,400,000
TOTAL	382,000,000	868,000,000	1,348,400,000

Approved June 11, 2007