



House of Representatives

General Assembly

File No. 138

February Session, 2010

Substitute House Bill No. 5025

House of Representatives, March 25, 2010

The Committee on Higher Education and Employment Advancement reported through REP. WILLIS of the 64th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING A GREEN TECHNOLOGY, LIFE SCIENCE AND HEALTH INFORMATION TECHNOLOGY JOBS LOAN FORGIVENESS PROGRAM.

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

- 1 Section 1. (NEW) (*Effective July 1, 2010*) (a) As used in this section:
- 2 (1) "Green technology" means the application of technology in
3 manufacturing or product research in an effort to produce systems,
4 equipment, services or products that conserve or reduce damage to or
5 consumption of natural resources. "Green technology" includes, but is
6 not limited to, green nanotechnology, the development of alternative
7 fuels, modes or efficiencies of energy generation and the invention,
8 design and application of chemical products and processes to
9 eliminate the use and generation of hazardous substances;
- 10 (2) "Life science" means the study of genes, cells, tissues and
11 chemical and physical structures of living organisms; and

12 (3) "Health information technology" means the creation, execution
13 or implementation of electronic data systems that record or transmit
14 medical or health information.

15 (b) There is established a Connecticut green technology, life science
16 and health information technology loan forgiveness program to be
17 administered by the Department of Higher Education.

18 (c) A Connecticut resident who graduated on or after July 1, 2010,
19 from an institution of higher education in this state with a bachelor
20 degree in a field relating to green technology, life science or health
21 information technology and who has been employed in this state for at
22 least two years in a job relating to green technology, life science or
23 health information technology shall be eligible for reimbursement of
24 federal or state educational loans up to a maximum of two thousand
25 five hundred dollars per year or five per cent of the amount of such
26 loans per year, whichever is less, for up to four years.

27 (d) A Connecticut resident who graduated on or after July 1, 2010,
28 from an institution of higher education in this state with an associate
29 degree relating to green technology, life science or health information
30 technology and who has been employed in this state for at least two
31 years in a job relating to green technology, life science or health
32 information technology shall be eligible for reimbursement of federal
33 or state educational loans up to a maximum of two thousand five
34 hundred dollars per year or five per cent of the amount of such loans
35 per year, whichever is less, for up to two years.

36 (e) Notwithstanding the provisions of subsections (c) and (d) of this
37 section, the total combined dollar value of loan reimbursements
38 available under this and any other provision of the general statutes
39 shall not exceed ten thousand dollars per recipient.

40 Sec. 2. (NEW) (*Effective from passage*) The Board of Governors of
41 Higher Education may adopt regulations, in accordance with the
42 provisions of chapter 54 of the general statutes, to carry out the
43 provisions of section 1 of this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2010</i>	New section
Sec. 2	<i>from passage</i>	New section

HED *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 11 \$	FY 12 \$
Higher Ed., Dept.	GF - Cost	235,000 to 2,035,000	235,000 to 2,035,000
Comptroller Misc. Accounts (Fringe Benefits) ¹	GF - Cost	9,331	23,279

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill establishes a green technology, life science, and health information technology loan forgiveness program for Connecticut residents. It is unknown how much it would cost the state to implement a loan forgiveness program in this area. Similar loan forgiveness programs, in varying specialty areas (nursing, engineering, and information technology) have been operated by the Department of Higher Education (DHE) in past years, and the cost ranges from \$200,000 to over \$2.0 million.

Additionally, DHE would require a part-time Senior Associate position to operate the program, at an annual salary of approximately \$35,000 plus fringe benefits, for the duration of the program. DHE currently does not have the staff available to oversee an additional loan forgiveness program, as they lost approximately 20% of their staff to the Retirement Incentive Program and have not refilled positions.

¹ The estimated non-pension fringe benefit rate as a percentage of payroll is 26.66% which includes health insurance, social security, Medicare, life insurance, and unemployment compensation. Fringe benefit costs for new positions do not include pension costs as new positions will not impact the state's pension contribution until FY 12 after the next scheduled actuarial valuation.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation and full implementation of the loan forgiveness program.

OLR Bill Analysis

sHB 5025

***AN ACT CONCERNING A GREEN TECHNOLOGY, LIFE SCIENCE
AND HEALTH INFORMATION TECHNOLOGY JOBS LOAN
FORGIVENESS PROGRAM.***

SUMMARY:

This bill establishes a green technology, life science, and health information technology loan forgiveness program for Connecticut residents. The program, to be administered by the Department of Higher Education, provides loan reimbursements for Connecticut residents who enter green technology, life science, and health information technology fields after graduating from a higher education institution in Connecticut. The bill also allows the Board of Governors of Higher Education to adopt necessary regulations for the program.

To be eligible for reimbursement under the program, a person must (1) earn a bachelor's or associate's degree on or after July 1, 2010 relating to green technology, life science, or health information technology and (2) work in the state for at least two years in one of these fields.

Under the bill, a person's annual loan reimbursement is the lesser of \$2,500 or 5% of the amount of his or her federal and state educational loans. The maximum number of years for reimbursement is four for bachelor's degree recipients and two for associate's degree recipients. The maximum total reimbursement for anyone is \$10,000.

EFFECTIVE DATE: July 1, 2010; upon passage for the provision allowing the board to adopt regulations.

DEFINITIONS

The bill defines “green technology” as the application of technology in manufacturing or product research in an effort to produce systems, equipment, services, or products that conserve or reduce damage to, or consumption of, natural resources. This includes green nanotechnology; the development of alternative fuels, modes, or efficiencies of energy generation; and the invention, design, and application of chemical products and processes to eliminate the use and generation of hazardous substances.

The bill defines “life science” as the study of genes, cells, tissues, and chemical and physical structures of living organisms. “Health information technology” means the creation, execution, or implementation of electronic data systems that record or transmit medical or health information.

COMMITTEE ACTION

Higher Education and Employment Advancement Committee

Joint Favorable Substitute

Yea 20 Nay 0 (03/16/2010)