



House of Representatives

File No. 582

General Assembly

February Session, 2012

(Reprint of File No. 61)

House Bill No. 5276
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
April 23, 2012

AN ACT CONCERNING THE CAPITOL SCHOLARSHIP GRANT PROGRAM.

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

1 Section 1. Section 10a-169 of the 2012 supplement to the general
2 statutes is repealed and the following is substituted in lieu thereof
3 (*Effective from passage*):

4 [(a)] For the fiscal year commencing on July 1, 1987, and thereafter,
5 any student (1) who is a resident of the state as defined under sections
6 10a-28, 10a-29, and 10a-30, (2) who has not received a baccalaureate
7 degree, and (3) who has been accepted for study on a full-time or part-
8 time basis at any postsecondary school, technical institute, college or
9 university within the state or in any other state which permits its
10 students to bring state student financial assistance funds into
11 Connecticut shall be eligible for financial assistance under the capitol
12 scholarship grant program at any stage of postsecondary study. All
13 such institutions shall be previously approved or accredited by the
14 Board of Regents for Higher Education or by the State Board of
15 Education for postsecondary study. Grants under said program shall

16 be based on financial need and either previous high school academic
 17 achievement or performance on standardized academic aptitude tests,
 18 as determined by the [Board of Regents for] Office of Higher
 19 Education. The maximum award tendered to a student attending an
 20 institution in the state shall not exceed three thousand dollars
 21 annually. The maximum award tendered to a student attending an
 22 out-of-state institution shall not exceed five hundred dollars annually.
 23 Sums so awarded shall be disbursed by the accepting institution on
 24 behalf of the student for tuition fees, books, board or any legitimate
 25 educational expense.

26 [(b) Notwithstanding the provisions of subsection (a) of this section,
 27 for the fiscal years ending June 30, 2012, and June 30, 2013, (1) no
 28 student shall be eligible for financial assistance under the capitol
 29 scholarship grant program unless such student was eligible and
 30 received financial assistance in the fiscal year ending June 30, 2011, and
 31 (2) grants under said program shall be reduced proportionately if the
 32 total amount of such grants exceeds the amount appropriated to the
 33 capitol scholarship program in section 1 of public act 11-6.]

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	10a-169

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 13 \$	FY 14 \$
Higher Ed., Dept.	GF - See Below	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill eliminates a moratorium for FY 12 and FY 13 on new students receiving financial assistance under the Capitol Scholarship Program. Eliminating the moratorium on new students does not result in an additional cost to the state, as the program is limited to spending only what is appropriated. However, removing the moratorium does result in a redistribution of scholarship funds.

SCHOLARSHIP DISTRIBUTION:

In FY 12, funding for the Capitol Scholarship Program was reduced from approximately \$8.8 million to \$4.4 million. The maximum awards were reduced by one-third: from \$3,000 to \$2,000 for four-year schools, from \$750 to \$450 for two-year schools, and from \$500 to \$350 for schools in reciprocal states. This funding level served 3,378 returning students. The moratorium left approximately 1,800 new, eligible students without awards. It is unclear what the distribution impact to FY 12 would be, as the awards have already been granted.

sHB 5014, the revised FY 13 budget bill, as favorably reported by the Appropriations Committee, included \$4.5 million in funding for the Capitol Scholarship Program. This funding level allows all 1,800 new, eligible students to receive reduced awards.

The impact of FY 14 would be dependent on the appropriation level as well as the number of new, eligible students.

House "A" makes a clarifying change that results in no fiscal impact.

The Out Years

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

OLR Bill Analysis**HB 5276 (as amended by House "A")******AN ACT CONCERNING THE CAPITOL SCHOLARSHIP GRANT PROGRAM.*****SUMMARY:**

This bill eliminates a moratorium for FY 12 and FY 13 on new students receiving financial assistance under the Capitol Scholarship grant program (see BACKGROUND). Under current law, students cannot receive a Capitol Scholarship grant in FY 12 or FY 13 unless they received a grant in FY 11. The bill also eliminates a requirement that grants be proportionately reduced in FY 12 and FY 13 if total program grants exceed the program's budgeted appropriation.

Additionally, the bill appears to make a conforming change to reflect the grant program's current administration by removing a reference to the Board of Regents for Higher Education (BOR). However, the bill replaces this reference to BOR with one to the Office of Higher Education (OHE), which does not currently exist (see BACKGROUND).

*House Amendment "A" removes the reference to BOR and replaces it with one to OHE.

EFFECTIVE DATE: Upon passage

BACKGROUND***Office of Higher Education***

Connecticut does not currently have an Office of Higher Education. HB 5032 (File 562), which passed the House, renames the existing Office of Financial and Academic Affairs for Higher Education

(OFAAHE) as the Office of Higher Education. OFAAHE, among other things, administers the Capitol Scholarship grant program.

Capitol Scholarship

Capitol Scholarship grants are available to state residents who have not received a bachelor’s degree and have been accepted at a postsecondary school, technical institute, college, or university in Connecticut, or in any other state that allows its students to bring state student financial assistance funds into Connecticut. Grant awards are based on academic performance and financial need. Maximum grants are \$3,000 per year for those attending in-state institutions and \$500 per year for those going out-of-state.

COMMITTEE ACTION

Higher Education and Employment Advancement Committee

Joint Favorable

Yea 18 Nay 0 (03/13/2012)