



Senate

General Assembly

File No. 435

January Session, 2013

Substitute Senate Bill No. 844

Senate, April 11, 2013

The Committee on Higher Education and Employment Advancement reported through SEN. BYE of the 5th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT IMPLEMENTING THE BUDGET RECOMMENDATIONS OF THE GOVERNOR CONCERNING HIGHER EDUCATION.

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

1 Section 1. Subsection (a) of section 10a-1d of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2013*):

4 (a) There is established an Office of Higher Education. [Such office
5 shall be within the Board of Regents for Higher Education for
6 administrative purposes only.] The Office of Higher Education shall
7 administer the programs set forth in sections 10-19g, 10-155d, 10a-10a,
8 10a-11, 10a-11a, 10a-17d, 10a-34 to 10a-34f, inclusive, 10a-35, [10a-36 to
9 10a-42g, inclusive, 10a-164a,] 10a-166, [and] 10a-168a, [to 10a-170,
10 inclusive] 10a-169a, 10a-169b and section 9 of this act. The State Board
11 of Education shall be responsible for approving any action taken
12 pursuant to sections 10a-34 to 10a-34f, inclusive.

13 Sec. 2. Subsections (a) to (c), inclusive, of section 10a-1e of the
14 general statutes are repealed and the following is substituted in lieu
15 thereof (*Effective July 1, 2013*):

16 (a) Wherever the term "Board of Governors of Higher Education" is
17 used or referred to in the following sections of the general statutes, the
18 term "Board of Regents for Higher Education" shall be substituted in
19 lieu thereof: 3-22e, 4-38c, 4-67x, 4-89, as amended by this act, 4-186, 4d-
20 80, 4d-82, 5-160, 5-177, 10-16p, 10-19, 10-145a, 10-145b, 10-145m, 10-
21 145n, 10-145p, 10-155e, 10-155l, 10-183n, 10-220a, 10-235, 10a-6, 10a-7,
22 10a-10, [10a-12b,] 10a-13, 10a-16, 10a-19i, 10a-20a, 10a-22, 10a-25j, 10a-
23 25o, 10a-25p, 10a-31, 10a-33, [10a-36, 10a-42b,] 10a-43, 10a-44b, 10a-45,
24 10a-46, 10a-48, 10a-48b, 10a-49, 10a-51, 10a-54, 10a-66, 10a-74, 10a-78,
25 10a-132a, 10a-149, 10a-161, 10a-162a, [10a-163,] 10a-163b, 10a-166, 10a-
26 168, [10a-169, 10a-170b, 10a-170d, 10a-170l, 10a-170m, 10a-170u, 10a-
27 170v,] 10a-170w, 10a-171, 10a-203, 10a-210, 12-407, 19a-75, 20-37a, 20-
28 206bb, 30-20a and 52-279.

29 (b) Wherever the term "Department of Higher Education" is used or
30 referred to in the following sections of the general statutes, the term
31 "Board of Regents for Higher Education" shall be substituted in lieu
32 thereof: 4-89, as amended by this act, 4-124x, 4-124y, 4-124aa, 4a-11, 4d-
33 82, 5-155a, 5-198, 10-8c, 10-76i, 10-145b, 10-221a, 10a-1, 10a-8b, 10a-8c,
34 10a-10, 10a-12, 10a-14, 10a-17, 10a-19c, 10a-19e, 10a-19f, [10a-19g,] 10a-
35 19i, 10a-25, 10a-25n, 10a-48, 10a-54, 10a-55g, 10a-65, 10a-77a, 10a-99a,
36 10a-109i, 10a-151, 10a-161b, [10a-163,] 10a-163b, 10a-169a, 10a-169b,
37 [10a-170a, 10a-170e, 10a-170i, 10a-170l, 10a-170r, 10a-170t, 10a-170u,]
38 11-1, 17a-52, 17a-215c and 20-206bb.

39 (c) Wherever the term "Commissioner of Higher Education" is used
40 or referred to in the following sections of the general statutes, the term
41 "president of the Board of Regents for Higher Education" shall be
42 substituted in lieu thereof: 3-22e, 4-124x, 4-124y, 4-124aa, 10-1, 10-16p,
43 10-16z, 10a-19d, 10a-19e, 10a-19f, [10a-19h,] 10a-48, 10a-48b, 10a-55a,
44 10a-77a, 10a-99a, 10a-109i, 10a-112g, 10a-144, 10a-150, 10a-150b, 10a-
45 161a, 10a-161b, [10a-163,] 10a-169a, 10a-169b, [10a-170c, 10a-170d, 10a-

46 170i, 10a-170k, 10a-170s, 10a-170t,] 10a-203, 10a-224, 12-413b, 17a-52,
47 32-4f, 32-35 and 32-39.

48 Sec. 3. Subsection (a) of section 10a-1f of the general statutes is
49 repealed and the following is substituted in lieu thereof (*Effective July*
50 *1, 2013*):

51 (a) Wherever the term "Office of Financial and Academic Affairs for
52 Higher Education" is used or referred to in the following sections of
53 the general statutes, the term "Office of Higher Education" shall be
54 substituted in lieu thereof: 10-155d, 10a-1d, 10a-10a, 10a-11, 10a-11a,
55 10a-22d, 10a-22r, 10a-22s, 10a-22u, 10a-34, 10a-34a, 10a-34c, 10a-34d,
56 10a-34e, 10a-34f, 10a-35, 10a-38, 10a-39, 10a-40, 10a-42, 10a-42g, 10a-
57 48a, as amended by this act, 10a-104 [, 10a-163a, 10a-164a,] and 10a-
58 168a. [, 10a-169 and 10a-170.]

59 Sec. 4. Section 10a-48a of the general statutes is repealed and the
60 following is substituted in lieu thereof (*Effective July 1, 2013*):

61 [(a)] There is established within the Office of Higher Education a
62 student community service fellowship program to develop community
63 service leadership and activities for students at institutions of higher
64 education in the state. For each fiscal year in which funds are
65 appropriated the program shall provide a fellowship or fellowships.
66 Fellowships shall be awarded for one academic year, except that
67 fellowships to undergraduate students shall be awarded on a semester
68 basis. Fellowship recipients shall work throughout the state to develop
69 and coordinate programs in which students provide community
70 service, train students who are providing or are interested in providing
71 community service, be responsible for publicizing opportunities for
72 students to provide community service, work with faculty and
73 administrators at institutions of higher education in the state to
74 promote student community service and assist in the implementation
75 of the provisions of section 10a-48. To be eligible for a fellowship
76 pursuant to this subsection, an applicant's residence shall be as defined
77 in section 10a-28.

78 [(b) Not later than January 1, 1991, each institution of higher
79 education which receives funds for student financial assistance
80 pursuant to section 10a-40 or 10a-164a, shall have a coordinator for
81 student community service, provided each such institution may
82 designate either an employee or a student as such coordinator.]

83 Sec. 5. Subsection (a) of section 10a-55i of the general statutes is
84 repealed and the following is substituted in lieu thereof (*Effective July*
85 *1, 2013*):

86 (a) There is established a Higher Education Consolidation
87 Committee which shall be convened by the chairpersons of the joint
88 standing committee of the General Assembly having cognizance of
89 matters relating to higher education or such chairpersons' designee,
90 who shall be a member of such joint standing committee. The
91 membership of the Higher Education Consolidation Committee shall
92 consist of the higher education subcommittee on appropriations and
93 the chairpersons, vice chairpersons and ranking members of the joint
94 standing committees of the General Assembly having cognizance of
95 matters relating to higher education and appropriations. The Higher
96 Education Consolidation Committee shall establish a meeting and
97 public hearing schedule for purposes of receiving updates from the
98 Board of Regents for Higher Education on the progress of the
99 consolidation of the state system of higher education pursuant to
100 section 4-9c, subsection (a) of section 4d-90, subsection (g) of section 5-
101 160, section 5-199d, subsection (a) of section 7-323k, subsection (a) of
102 section 7-608, subsection (a) of section 10-9, section 10-155d,
103 subdivision (14) of section 10-183b, sections 10a-1a to 10a-1d, inclusive,
104 10a-3 and 10a-3a, subsection (a) of section 10a-6a, sections 10a-6b, 10a-
105 8, 10a-10a to 10a-11a, inclusive, 10a-17d and 10a-22a, subsections (f)
106 and (h) of section 10a-22b, subsections (c) and (d) of section 10a-22d,
107 sections 10a-22h and 10a-22k, subsection (a) of section 10a-22n,
108 sections 10a-22r, 10a-22s, 10a-22u, 10a-22v, 10a-22x and 10a-34 to 10a-
109 35a, inclusive, [subsection (e) of section 10a-37, sections 10a-38 to 10a-
110 40, inclusive, 10a-42 and 10a-42g,] subsection (a) of section 10a-48a, as
111 amended by this act, sections 10a-55i, as amended by this act, 10a-71

112 and 10a-72, subsections (c) and (f) of section 10a-77, section 10a-88,
113 subsection (a) of section 10a-89, subsection (c) of section 10a-99 and
114 sections 10a-102, 10a-104, 10a-105, 10a-109e, 10a-143 [, 10a-163a, 10a-
115 164a,] and 10a-168a. [and 10a-170.] The Higher Education
116 Consolidation Committee shall convene its first meeting on or before
117 September 15, 2011, and meet not less than once every two months
118 until September 15, 2012.

119 Sec. 6. Subsection (f) of section 4-89 of the general statutes is
120 repealed and the following is substituted in lieu thereof (*Effective July*
121 *1, 2013*):

122 (f) The provisions of this section shall not apply to appropriations to
123 the Office of Higher Education for student financial assistance for [the
124 scholarship program established under section 10a-169, or for the high
125 technology graduate scholarship program established under section
126 10a-170a,] the Governor's Scholarship program established under
127 section 9 of this act, or to the Board of Regents for Higher Education
128 for Connecticut higher education centers of excellence established
129 under section 10a-25h, to the Office of Higher Education for the
130 minority advancement program established under subsection (b) of
131 section 10a-11, to the Board of Regents for Higher Education for the
132 high technology doctoral fellowship program established under
133 section 10a-25n, or to the operating funds of the constituent units of the
134 state system of higher education established pursuant to sections
135 10a-105, 10a-99 and 10a-77. Such appropriations shall not lapse until
136 the end of the fiscal year succeeding the fiscal year of the appropriation
137 except that centers of excellence appropriations deposited by the Board
138 of Regents for Higher Education in the Endowed Chair Investment
139 Fund, established under section 10a-20a, shall not lapse but shall be
140 held permanently in the Endowed Chair Investment Fund and any
141 moneys remaining in higher education operating funds of the
142 constituent units of the state system of higher education shall not lapse
143 but shall be held permanently in such funds. On or before September
144 first, annually, the Office of Higher Education and Board of Regents
145 for Higher Education shall submit a report to the joint standing

146 committee of the General Assembly having cognizance of matters
147 relating to appropriations and the budgets of state agencies, through
148 the Office of Fiscal Analysis, concerning the amount of each such
149 appropriation carried over from the preceding fiscal year.

150 Sec. 7. Section 10a-161 of the general statutes is repealed and the
151 following is substituted in lieu thereof (*Effective July 1, 2013*):

152 The [Board of Regents for] Office of Higher Education shall: (1)
153 Establish state-wide policy pertaining to student financial assistance;
154 [under sections 10a-163 and 10a-167 to 10a-169, inclusive;] (2) establish
155 procedure by regulation, for the award of financial assistance under
156 [sections] section 10a-167 and [10a-169] section 9 of this act; (3) review
157 and approve applications for financial assistance under [sections 10a-
158 163,] section 10a-168 and [10a-169] section 9 of this act; (4) receive and
159 review records of all financial assistance granted pursuant to section
160 10a-167; (5) increase the availability of the state financial assistance
161 programs to all segments of the state population, with significant
162 attention to those with special needs; and (6) assist financial aid
163 officers at institutions of higher education and secondary school
164 guidance counselors in becoming better informed about matters
165 concerning student financial assistance affairs. [The Board of Regents
166 for Higher Education shall appoint a seven-member advisory
167 committee on student financial assistance matters. At least one
168 member shall be a financial aid officer at a public institution of higher
169 education; at least one member shall be a financial aid officer at an
170 independent institution of higher education; at least one member shall
171 be a Connecticut student from a public institution of higher education
172 in the state; at least one member shall be a Connecticut student from an
173 independent college or university in the state; and, at least one
174 member shall be a public secondary school guidance counselor.]

175 Sec. 8. Section 10a-168 of the general statutes is repealed and the
176 following is substituted in lieu thereof (*Effective July 1, 2013*):

177 If the [Board of Regents for] Office of Higher Education determines
178 that no approved program of teacher education within the state is

179 available for the preparation of teachers of children requiring special
180 education as defined in part V of chapter 164, said [board of regents]
181 office may provide scholarship aid for such undergraduate and
182 graduate students as it may designate to attend approved programs in
183 institutions in other states. The [board] office may determine the
184 amount of such scholarship aid in each case, [, without regard to the
185 limitations of section 10a-169.] In order to be eligible for such
186 scholarship aid, any applicant shall agree to teach children requiring
187 special education in Connecticut for at least three years.

188 Sec. 9. (NEW) (*Effective July 1, 2013*) (a) For the purposes of this
189 section:

190 (1) "Family contribution" means the expected family contribution for
191 educational costs as computed from the student's Free Application for
192 Federal Student Aid;

193 (2) "Full-time or part-time undergraduate student" means a student
194 who is enrolled at an institution of higher education in a course of
195 study leading to such student's first associate or bachelor degree and
196 who is carrying, for a full-time student, twelve or more semester credit
197 hours, or, for a part-time student, between six and eleven semester
198 credit hours at such institution of higher education;

199 (3) "Independent institution of higher education" means a nonprofit
200 institution established in this state (A) that has degree-granting
201 authority in this state; (B) that has its main campus located in this state;
202 (C) that is not included in the Connecticut system of public higher
203 education; and (D) whose primary function is not the preparation of
204 students for religious vocation;

205 (4) "Public institution of higher education" means the constituent
206 units of the state system of higher education identified in subdivisions
207 (1) to (4), inclusive, of section 10a-1 of the general statutes;

208 (5) "Eligible educational costs" means the tuition and required fees
209 for an individual student that are published by each institution of

210 higher education participating in the grant program established under
211 this section, plus a fixed amount for required books and educational
212 supplies as determined by the Office of Higher Education.

213 (b) The state, acting through the Office of Higher Education, shall
214 establish the Governor's Scholarship program to annually make need-
215 based financial aid available for eligible educational costs for
216 Connecticut residents enrolled at Connecticut's public and
217 independent institutions of higher education as full-time or part-time
218 undergraduate students beginning with new or transfer students in the
219 fiscal year ending June 30, 2014. Any award made to a student in the
220 fiscal year ending June 30, 2013, under the capitol scholarship grant
221 program, established under section 10a-169 of the general statutes,
222 revision of 1958, revised to January 1, 2013, the Connecticut aid to
223 public college students grant program, established under section 10a-
224 164a of the general statutes, revision of 1958, revised to January 1, 2013,
225 Connecticut aid to Charter Oak, established under subsection (c) of
226 section 10a-164a of the general statutes, revision of 1958, revised to
227 January 1, 2013, or the Connecticut independent college student grant
228 program, established under section 10a-36 of the general statutes,
229 revision of 1958, revised to January 1, 2013, shall be offered under the
230 Governor's Scholarship program and be renewable for the life of the
231 original award, provided such student meets and continues to meet
232 the need and academic standards established for purposes of the
233 program under which such student received the original award.

234 (c) Within available appropriations, the Governor's Scholarship
235 program shall be comprised of a need and merit-based grant, a need-
236 based grant, a Charter Oak grant, and a performance incentive pool.
237 The need and merit-based grant shall be funded at not less than twenty
238 per cent of available appropriations. The need-based grant shall be
239 funded at up to eighty per cent of available appropriations. The
240 Charter Oak grant shall be not less than one hundred thousand dollars
241 of available appropriations. The incentive pool shall be not less than
242 two and one-half per cent of available appropriations. There shall be
243 an administrative allowance based on one-quarter of one per cent of

244 the available appropriations, but not less than one hundred thousand
245 dollars.

246 (d) The Governor's Scholarship need and merit-based grant shall be
247 available to any Connecticut resident who is a full-time or part-time
248 undergraduate student at any public or independent institution of
249 higher education beginning in the fiscal year ending June 30, 2014. The
250 Office of Higher Education shall determine eligibility by financial need
251 based on family contribution and eligibility by merit based on either
252 previous high school academic achievement or performance on
253 standardized academic aptitude tests. The Office of Higher Education
254 shall make awards according to a sliding scale, annually determined
255 by said office, up to a maximum family contribution and based on
256 available appropriations and eligible students. The Governor's
257 Scholarship need and merit-based grant shall be awarded in a higher
258 amount than the need-based grant awarded pursuant to subsection (e)
259 of this section. Recipients of the need and merit-based grant shall not
260 be eligible to receive an additional need-based award. The accepting
261 institution of higher education shall disburse sums awarded under
262 such grant for payment of the student's eligible educational costs.

263 (e) The Governor's Scholarship need-based grant shall be available
264 to any Connecticut resident who is a full-time or part-time
265 undergraduate student at any public or independent institution of
266 higher education beginning in the fiscal year ending June 30, 2014. The
267 Office of Higher Education shall determine eligibility based on family
268 contribution. The amount of the annual appropriation to be allocated
269 to each institution of higher education shall be determined by its actual
270 eligible enrollment based on family contribution during the fiscal year
271 one year prior to the grant year. Participating institutions of higher
272 education shall make awards according to a sliding scale, annually
273 determined by the Office of Higher Education, up to a maximum
274 family contribution and based on available appropriations and the
275 number of eligible students. The maximum award shall be determined
276 by the Office of Higher Education based on available funding and the
277 number of eligible students. Each participating institution of higher

278 education shall expend all of the moneys received under the
279 Governor's Scholarship program as direct financial assistance only for
280 eligible educational costs based on the sliding scale determined by the
281 Office of Higher Education and the maximum award amounts set by
282 said office.

283 (f) Participating institutions of higher education shall annually
284 provide the Office of Higher Education with data and reports on all
285 Connecticut students who applied for financial aid, including, but not
286 limited to, students receiving a Governor's Scholarship grant, in a form
287 and at a time determined by said office. If an institution of higher
288 education fails to submit information to the Office of Higher Education
289 as directed, such institution shall be prohibited from participating in
290 the scholarship program in the fiscal year following the fiscal year in
291 which such institution failed to submit such information. Each
292 participating institution of higher education shall maintain, for a
293 period of not less than three years, records substantiating the reported
294 number of Connecticut students and documentation utilized by the
295 institution of higher education in determining eligibility of the student
296 grant recipients. Such records shall be subject to audit. Funds not
297 obligated by an institution of higher education shall be returned by
298 February fifteenth in the fiscal year the grant was made to the Office of
299 Higher Education for reallocation. Financial aid provided to
300 Connecticut residents under this program shall be designated as a
301 grant from the Governor's Scholarship program.

302 (g) The Governor's Scholarship Charter Oak grant shall be available
303 to any full-time or part-time undergraduate student enrolled in
304 Charter Oak State College beginning in the fiscal year ending June 30,
305 2014. The Office of Higher Education shall allocate any appropriation
306 to Charter Oak State College to be used to provide grants for eligible
307 educational costs to residents of this state who demonstrate substantial
308 financial need and who are matriculated in a degree program at
309 Charter Oak State College. Individual awards shall not exceed a
310 student's calculated eligible educational costs. Financial aid provided
311 to Connecticut residents under this program shall be designated as a

312 grant from the Governor's Scholarship program.

313 (h) The Governor's Scholarship incentive pool shall be created to
314 encourage retention and completion for any student who (1) receives
315 the Governor's Scholarship need-based grant, (2) returns with
316 sufficient credits to complete such student's associate degree in two
317 years or bachelor degree in four years, and (3) exceeds the minimum
318 satisfactory academic performance standards as determined by the
319 Office of Higher Education. Such student shall be eligible beginning in
320 the second year of such student's need-based grant. The pool shall be
321 distributed to participating institutions of higher education based on
322 eligibility as determined by the Office of Higher Education.

323 (i) In administering the Governor's Scholarship program, the Office
324 of Higher Education shall develop and utilize fiscal procedures
325 designed to ensure accountability of the public funds expended. Such
326 procedures shall include provisions for compliance audits that shall be
327 conducted by the Office of Higher Education on any institution of
328 higher education that participates in the program. Commencing with
329 the fiscal year ending June 30, 2015, and biennially thereafter, each
330 such institution of higher education shall submit the results of an audit
331 done by an independent certified public accountant for each year of
332 participation in the program. Any institution of higher education
333 determined by the Office of Higher Education not to be in substantial
334 compliance with the provisions of the Governor's Scholarship program
335 shall be ineligible to receive funds under the program for the fiscal
336 year following the fiscal year in which the institution of higher
337 education was determined not to be in substantial compliance.
338 Funding shall be restored when the Office of Higher Education
339 determines that the institution of higher education has returned to
340 substantial compliance.

341 Sec. 10. Subsection (a) of section 10-21c of the general statutes is
342 repealed and the following is substituted in lieu thereof (*Effective July*
343 *1, 2013*):

344 (a) Any local or regional board of education that has a demonstrated

345 shortage of certified teachers in those fields designated by the State
346 Board of Education [pursuant to the provisions of section 10a-163] or
347 that elects to expand the academic offerings to students in the areas
348 identified by the Labor Commissioner and the Office of Workforce
349 Competitiveness pursuant to the provisions of section 4-124w may
350 solicit and accept qualified private sector specialists, not necessarily
351 certified to teach, whose services to teach in shortage areas have been
352 donated by business firms, as defined in section 12-631. Private sector
353 specialists who donate their services may be permitted to offer
354 instruction in existing or specially designed curricula, provided no
355 private sector specialist shall be permitted to work more than one-half
356 of the maximum classroom hours of a full-time certified teacher, and
357 provided further no private sector specialist teaching in an area
358 identified by the Labor Commissioner and the Office of Workforce
359 Competitiveness pursuant to section 4-124w shall have sole
360 responsibility for a classroom. No certified teacher may be terminated,
361 transferred or reassigned due to the utilization of any private sector
362 specialist. Local or regional boards of education shall annually review
363 the need for private sector specialists and shall not renew or place a
364 private sector specialist if certified teachers are available.

365 Sec. 11. Subsection (a) of section 10a-6 of the general statutes is
366 repealed and the following is substituted in lieu thereof (*Effective July*
367 *1, 2013*):

368 (a) The Board of Regents for Higher Education shall: (1) Establish
369 state-wide policy and guidelines for Connecticut's system of public
370 higher education; (2) develop a master plan for higher education and
371 postsecondary education, consistent with the goals in subsection (b) of
372 this section; (3) establish state-wide tuition and student fee policies;
373 [(4) establish state-wide student financial aid policies; (5)] (4) monitor
374 and evaluate institutional effectiveness and viability in accordance
375 with criteria established by the board; [(6)] (5) merge or close
376 institutions within the Connecticut State University System, the
377 regional community-technical college system and the Board for State
378 Academic Awards in accordance with criteria established by the

379 board, provided (A) such recommended merger or closing shall
380 require a two-thirds vote of the board and (B) notice of such
381 recommended merger or closing shall be sent to the committee having
382 cognizance over matters relating to education and to the General
383 Assembly; [(7)] (6) review and approve mission statements for the
384 Connecticut State University System, the regional community-
385 technical college system and the Board for State Academic Awards and
386 role and scope statements for the individual institutions and campuses
387 of such constituent units; [(8)] (7) review and approve any
388 recommendations for the establishment of new academic programs
389 submitted to the board by the constituent unit boards of trustees, and,
390 in consultation with the affected constituent units, provide for the
391 initiation, consolidation or termination of academic programs. The
392 Board of Regents for Higher Education shall notify the board of
393 trustees affected by the proposed termination of an academic program.
394 Within ninety days of receipt of such notice, said trustees shall accept
395 or reject the termination proposal and shall notify the Board of Regents
396 for Higher Education of its action. If the termination proposal is
397 rejected by the trustees, the Board of Regents for Higher Education
398 may override the rejection by a two-thirds vote; [(9)] (8) develop
399 criteria to ensure acceptable quality in programs and institutions and
400 enforce standards through licensing and accreditation; [(10)] (9)
401 prepare and present to the Governor and General Assembly, in
402 accordance with section 10a-8, consolidated operating and capital
403 expenditure budgets for public higher education developed in
404 accordance with the provisions of said section 10a-8; [(11)] (10) review
405 and make recommendations on plans received from the constituent
406 unit boards of trustees for the continuing development and maximum
407 utilization of the state's public higher education resources; [(12)] (11)
408 appoint advisory committees to assist in defining and suggesting
409 solutions for the problems and needs of higher education; [(13)] (12)
410 establish an advisory council for higher education with representatives
411 from public and private institutions to study methods and proposals
412 for coordinating efforts of all such institutions in providing a
413 stimulating and enriched educational environment for the citizens of

414 the state, including measures to improve educational opportunities
415 through alternative and nontraditional approaches such as external
416 degrees and credit by examination; [(14)] (13) coordinate programs and
417 services throughout public higher education and between public and
418 independent institutions, including procedures to evaluate the impact
419 on independent institutions of higher education of proposals affecting
420 public institutions of higher education; [(15)] (14) make or enter into
421 contracts, leases or other agreements in connection with its
422 responsibilities under this part, provided all acquisitions of real estate
423 by lease or otherwise shall be subject to the provisions of section 4b-23;
424 [(16)] (15) be responsible for the care and maintenance of permanent
425 records of institutions of higher education dissolved after September 1,
426 1969; [(17)] (16) prepare and present to the Governor and General
427 Assembly legislative proposals affecting public higher education,
428 including proposals which utilize programs and facilities of
429 independent institutions of higher education; [(18)] (17) develop and
430 maintain a central higher education information system and establish
431 definitions and data requirements for the state system of higher
432 education; and [(19)] (18) undertake such studies and other activities as
433 will best serve the higher educational interests of the state.

434 Sec. 12. Section 10a-87 of the general statutes is repealed and the
435 following is substituted in lieu thereof (*Effective July 1, 2013*):

436 The Board of Trustees of the Connecticut State University System
437 shall maintain: Western Connecticut State University, Southern
438 Connecticut State University, Eastern Connecticut State University and
439 Central Connecticut State University. The board of trustees shall offer
440 curricula which shall prepare persons who have successfully
441 completed the same to teach in the schools of the state at any of said
442 institutions as the board shall deem appropriate and, in addition,
443 programs of study in academic and career fields, provided the board
444 of trustees shall submit to the Board of Regents for Higher Education
445 for review and approval recommendations for program terminations
446 at any of said institutions in accordance with the provisions of
447 subdivision [(8)] (7) of subsection (a) of section 10a-6. The board of

448 trustees shall establish policies which protect academic freedom and
 449 the content of course and degree programs, provided such policies
 450 shall be consistent with state-wide policy and guidelines established
 451 by the Board of Regents for Higher Education. Each of said institutions
 452 shall confer such degrees in education and in academic and career
 453 fields as are appropriate to the curricula of said institution and as are
 454 usually conferred by the institutions; honorary degrees may be
 455 conferred by said institutions upon approval of each honorary degree
 456 recipient by the Board of Trustees of the Connecticut State University
 457 System.

458 Sec. 13. Sections 10a-12b, 10a-36 to 10a-42a, inclusive, 10a-42g, 10a-
 459 163 to 10a-163b, inclusive, 10a-164a, 10a-169, 10a-170 to 10a-170m,
 460 inclusive, 10a-170r to 10a-710v, inclusive, and 10a-172 of the general
 461 statutes are repealed. (*Effective July 1, 2013*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2013</i>	10a-1d(a)
Sec. 2	<i>July 1, 2013</i>	10a-1e(a) to (c)
Sec. 3	<i>July 1, 2013</i>	10a-1f(a)
Sec. 4	<i>July 1, 2013</i>	10a-48a
Sec. 5	<i>July 1, 2013</i>	10a-55i(a)
Sec. 6	<i>July 1, 2013</i>	4-89(f)
Sec. 7	<i>July 1, 2013</i>	10a-161
Sec. 8	<i>July 1, 2013</i>	10a-168
Sec. 9	<i>July 1, 2013</i>	New section
Sec. 10	<i>July 1, 2013</i>	10-21c(a)
Sec. 11	<i>July 1, 2013</i>	10a-6(a)
Sec. 12	<i>July 1, 2013</i>	10a-87
Sec. 13	<i>July 1, 2013</i>	Repealer 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 14 \$	FY 15 \$
Higher Ed., Off.; Constituent Units of Higher Education	GF - Redistribution of Financial Aid	See Below	See Below

Municipal Impact: None

Explanation

The bill combines the Connecticut Aid to Public College Student Grant (CAPCS), Connecticut Independent College Student Grant (CICSG), Capitol Scholarship, and Connecticut Aid to Charter Oak, into one consolidated financial aid program. The bill will result in a redistribution of financial aid to Connecticut residents who are undergraduates at in-state public and private higher education institutions as well as the constituent units of higher education.

The bill specifies that the new Governor's Scholarship program begins with new and transfer students in FY 14. Students receiving existing awards under the former financial aid programs will continue to receive them for the life of the original award.

The bill limits the eligibility criteria for financial aid, which will result in a redistribution of financial aid, as certain students will no longer be eligible to receive financial aid. The bill limits eligibility in a variety of ways, including: (1) to students pursuing their first associate or bachelor degree, (2) to part-time students enrolled in at least six credit hours, (3) to only tuition, required fees, required books, and educational supplies, (4) bases the award amount on a student's

expected family contribution, and (5) no longer requires that a percentage of financial aid awards be used for needy minority students and on-campus or off-campus community service work study placements. By narrowing eligibility criteria, some students will receive less funding or no longer qualify for funding, where other students could qualify for additional funds.

The bill allocates scholarship funding across four award categories: (1) at least 20% for merit, (2) no more than 80% for need, (3) at least \$100,000 for Charter Oak Grant, and (4) an administrative allowance of \$100,000 or .25% of the appropriation, whichever is greater. In FY 13 Charter Oak received \$59,393 in financial aid, the bill increases their allotment by at least \$40,607. The Office of Higher Education received an administrative allowance of \$44,862 under the Capitol Scholarship program; the bill increases the administrative allowance by at least \$55,138.

The bill makes various other procedural and technical changes that are not anticipated to result in a fiscal impact.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the level of funding appropriated for financial aid.

OLR Bill Analysis**sSB 844*****AN ACT IMPLEMENTING THE BUDGET RECOMMENDATIONS OF THE GOVERNOR CONCERNING HIGHER EDUCATION.*****SUMMARY:**

This bill establishes the Governor's Scholarship program as a single, consolidated state financial aid program for Connecticut residents who are undergraduates at in-state public and private higher education institutions. The program replaces the state's existing undergraduate student aid programs: Connecticut Aid to Public College Students (CAPCS), Connecticut Independent College Student Grant (CICSG), the Capitol Scholarship, and Connecticut Aid to Charter Oak.

The bill limits eligibility for the Governor's Scholarship to Connecticut residents enrolled in at least six semester credit hours and pursuing their first associate or bachelor degree. It establishes four award categories: a (1) need and merit-based award, (2) need-based award, (3) performance incentive pool, and (4) Charter Oak Grant. The bill specifies how the appropriation for the program must be allocated across these categories and establishes reporting and audit requirements for the program.

The bill requires the Office of Higher Education (OHE) to administer the Governor's Scholarship. It repeals a provision that placed OHE, for administrative purposes only, within the Board of Regents for Higher Education (BOR), thus removing BOR's responsibility to provide OHE with certain administrative support.

The bill requires OHE, rather than BOR, to (1) perform several financial aid-related duties, including (a) establishing statewide student financial aid policies, (b) reviewing and approving certain

applications, and (c) assisting high school guidance counselors and financial aid officers, and (2) administer any scholarship aid provided to students who attend out-of-state programs that prepare teachers of children requiring special education. It also eliminates a seven-member advisory committee on student financial assistance matters.

Additionally, the bill repeals the award for excellence in science and technology, teacher incentive loan program, high technology assistantship program, and academic scholarship loan program. Each of these is defunct.

Lastly, the bill makes technical and conforming changes.

EFFECTIVE DATE: July 1, 2013

GOVERNOR'S SCHOLARSHIP OVERVIEW

This bill establishes the Governor's Scholarship program as a single, consolidated state financial aid program for Connecticut residents who are undergraduates at in-state public and private higher education institutions. It eliminates CAPCS, CICSG, the Capitol Scholarship, and Connecticut Aid to Charter Oak, but allows students who received awards under these programs in FY 13 to continue receiving them for the life of the original award so long as they meet and continue to meet the respective program's need and academic standards. Since these awards are one-year, renewable awards, the bill presumably allows such renewals to continue until the students graduate.

The bill specifies that the Governor's Scholarship begins with new and transfer students in FY 14. It appears that continuing students who do not currently receive a CAPCS, CICSG, Capitol Scholarship, or Connecticut Aid to Charter Oak award would thus be ineligible for any state financial aid.

Eligibility

The bill establishes student eligibility criteria for the Governor's Scholarship that are narrower than the criteria for the state's existing programs. It limits eligibility for the Governor's Scholarship to

students pursuing their first associate or bachelor degree. Current law requires that students receiving assistance from CAPCS, CICSG, and Connecticut Aid to Charter Oak be undergraduates, but does not limit participation to students pursuing their first associate or bachelor degree. (The Capitol Scholarship is available only to students who do not have a bachelor degree.) CAPCS also provides awards to students in precollege remedial programs, which are not allowed under the Governor's Scholarship.

Additionally, the bill requires that part-time students be enrolled for at least six semester credit hours in order to be eligible for a Governor's Scholarship. Current law does not establish a minimum credit load requirement for the four existing programs.

The bill limits the costs to which the Governor's Scholarship can be applied to (1) tuition and required fees, as published by the institution, and (2) required books and educational supplies, in a fixed amount as determined by OHE. Current law permits the use of state financial aid for other costs (e.g., room and board).

The bill also requires that Governor's Scholarship awards be based on a student's expected family contribution, as determined by the Free Application for Federal Student Aid. Under current law, award amounts for the existing programs are generally based on a student's financial need, which is the difference between an institution's costs and the student's expected family contribution. The federally determined expected family contribution is the same across different institutions, whereas financial need varies based on institutions' costs.

Eliminated Awards

Under current law, Connecticut residents who attend an out-of-state institution can receive a Capitol Scholarship award of up to \$500. The bill eliminates these students' eligibility for state financial aid, but presumably allows students who currently receive this award to continue doing so (see above).

Current law allows CAPCS awards to fund student employment. It

also requires that a percentage of CAPCS and CICSG awards be used for (1) needy minority students and (2) on-campus or off-campus community service work study placements. The bill does not transfer these requirements to the Governor's Scholarship. It makes a conforming change by eliminating institutions' responsibility to have a student community service coordinator.

AWARD CATEGORIES

The bill establishes four Governor's Scholarship award categories: a (1) need and merit-based (merit) award, (2) need-based award, (3) performance incentive pool, and (4) Charter Oak Grant.

Merit Award

Under the bill, OHE determines student eligibility for the merit award based on (1) financial need, as measured by expected family contribution, and (2) merit, as measured by either high school academic achievement or performance on standardized academic aptitude tests.

The bill requires OHE to make awards according to a sliding scale, annually determined by the office, up to a maximum family contribution and based on available appropriations and eligible students. It does not specify any award amounts, but requires that the merit awards be higher than the need awards. It prohibits merit recipients from receiving a need or incentive award.

The bill requires the accepting institution to disburse the merit award for payment of the student's eligible educational costs.

Need Award

The bill requires OHE to determine eligibility for the need award based on expected family contribution.

Under the bill, funds for the need award must be allocated to institutions for disbursement to students in accordance with requirements established by OHE. The institution's allocation is determined by its actual eligible enrollment (i.e., the number of its

students who are eligible for an award) during the fiscal year before the grant year.

As with the merit award, OHE must annually establish a sliding scale based on available appropriations and the number of eligible students. Institutions must adhere to this sliding scale when making awards to students.

Institutions must spend their need award allocation as direct financial assistance for eligible educational costs.

Performance Incentive Pool

The bill establishes an incentive pool to encourage retention and completion for students who (1) receive a need award, (2) return with sufficient credits to complete an associate degree in two years or a bachelor degree in four years (presumably two or four years from the time of initial enrollment), and (3) exceed minimum academic performance standards as determined by OHE. Students become eligible for a performance incentive award in the second year of their need award. The bill requires that the incentive pool be distributed to participating institutions based on eligibility as determined by OHE.

The bill does not specify any award amounts for the performance incentive or any criteria for determining which eligible students will receive an incentive award.

Charter Oak Grant

Under the bill, the requirements for the Charter Oak Grant are generally similar to those that exist under current law for Connecticut Aid to Charter Oak (except for the changes to student eligibility noted above). Additionally, under current law, an individual award cannot exceed a student's financial need. Under the bill, the award cannot exceed eligible educational costs.

Unlike with the other award components, the bill does not require OHE to determine eligibility and award levels for the Charter Oak Grant. Instead, it requires only that the grant (1) be awarded to

students who demonstrate substantial financial need and (2) not exceed a student's eligible educational costs.

APPROPRIATION

Under current law, CAPCS, CICSG, the Capitol Scholarship, and Connecticut Aid to Charter Oak each receive a separate appropriation. Under the bill, the Governor's Scholarship receives a single appropriation.

The bill allocates the appropriation across the four award categories as follows: (1) at least 20% for the merit award, (2) up to 80% for the need award, (3) at least 2.5% for the incentive pool, and (4) at least \$100,000 for the Charter Oak Grant. It also establishes an administrative allowance of \$100,000 or 0.25% of the appropriation, whichever is greater. It thus appears that no more than 77.25% of the appropriation, minus \$100,000, is available for the need award.

By law, the unexpended balance of an appropriation generally lapses at the end of the fiscal year for which it was made and reverts to the unappropriated surplus of the fund from which it was made (typically the General Fund). The bill specifies that the appropriation for the Governor's Scholarship does not lapse until the end of the fiscal year after the one for which it was made. OHE must report annually by September 1, to the Appropriations Committee through the Office of Fiscal Analysis, on the amount of the appropriation carried over from the previous fiscal year.

The bill requires that unexpended Governor's Scholarship funds be returned to OHE by February 15 each year for reallocation (presumably to other institutions).

REPORTING AND AUDIT REQUIREMENTS

Under current law, institutions that receive CAPCS, CICSG, and Capitol Scholarship funds must report to OHE, annually by October 1, certain information regarding the students that receive this financial aid, including a recipient's (1) year of birth, (2) home town, (3) cumulative grade point average, (4) expected graduation date, and (5)

expected family contribution towards educational costs.

The bill maintains the reporting requirement for institutions that participate in the Governor's Scholarship but eliminates the specific components required under current law. It instead requires institutions to provide OHE with data and reports on all Connecticut students who applied for financial aid, including those who received a Governor's Scholarship award. The bill also eliminates the annual reporting date and instead requires that the report be submitted in a form and at a time determined by OHE.

As under current law, institutions that do not submit the required information to OHE are ineligible to receive student aid from the state in the following fiscal year.

Accountability and Audit Requirements

The bill extends to all higher education institutions the accountability and audit requirements that independent institutions currently must follow under the CICSG program. These requirements include maintaining, for at least three years, (1) records substantiating the reported number of Connecticut students and (2) documentation used by the institution to determine students' eligibility for the awards.

The requirements also include biennial compliance audits, which under the bill must begin in FY 15. Institutions must submit to OHE the results of an audit completed by an independent certified public accountant for each year of program participation. As under current law for CICSG, an institution that OHE determines not to be in substantial compliance with the Governor's Scholarship requirements (1) is prohibited from receiving funds from program in the following fiscal year and (2) does not regain eligibility until OHE determines that it has returned to substantial compliance.

BACKGROUND

Related Bill

sSB 878, reported favorably by the Higher Education Committee,

requires that OHE, rather than BOR, administer the academic scholarship graduate loan program and fund.

CAPCS

CAPCS provides need-based grants to Connecticut residents who are undergraduates at the state’s public colleges and universities.

CICSG

CICSG provides need-based grants to Connecticut residents who are undergraduates at the state’s independent colleges and universities.

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.

Connecticut Aid to Charter Oak

Connecticut Aid to Charter Oak provides need-based grants to Connecticut residents who are matriculated in a degree program at Charter Oak State College.

COMMITTEE ACTION

Higher Education and Employment Advancement Committee

Joint Favorable Substitute

Yea 11 Nay 6 (03/26/2013)