



General Assembly

**Substitute Bill No. 5048**

February Session, 2014



**AN ACT ESTABLISHING THE CHET BABY SCHOLARS PROGRAM  
AND AMENDING STATUTES RELATING TO THE CONNECTICUT  
STUDENT LOAN FOUNDATION.**

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

1 Section 1. (NEW) (*Effective July 1, 2014*) (a) There is established an  
2 account to be known as the "CHET Baby Scholars fund" which shall be  
3 a separate, nonlapsing account within the General Fund. The account  
4 shall contain any moneys required by law to be deposited in the  
5 account. Moneys in the account shall be expended by the office of the  
6 Treasurer for the purposes of the CHET Baby Scholars program  
7 established pursuant to this section.

8 (b) The Treasurer shall use the funds deposited into the CHET Baby  
9 Scholars fund for the purpose of establishing the CHET Baby Scholars  
10 program. The program shall promote college education savings by  
11 providing a maximum incentive contribution of two hundred fifty  
12 dollars from the CHET Baby Scholars fund to a designated beneficiary  
13 in the Connecticut Higher Education Trust established pursuant to  
14 sections 3-22f to 3-22o, inclusive, of the general statutes, as amended  
15 by this act, and section 3 of this act. "Designated beneficiary" has the  
16 meaning as provided in section 3-22f of the general statutes, as  
17 amended by this act, except that, for purposes of this section, such  
18 beneficiary shall be born or legally adopted on or after January 1, 2014,

19 and shall be a state resident at the time the Treasurer provides an  
20 incentive contribution.

21 (c) The Treasurer shall provide, from the available funds in the  
22 CHET Baby Scholars fund, incentive contributions to be credited  
23 toward the savings plan in the Connecticut Higher Education Trust for  
24 a designated beneficiary in the amounts of (1) one hundred dollars,  
25 provided a depositor enters into a participation agreement not later  
26 than the first birthday of the designated beneficiary, or, in the case of a  
27 designated beneficiary who is adopted, not later than one year after  
28 the date the designated beneficiary is legally adopted, and (2) one  
29 hundred fifty dollars, provided the designated beneficiary's savings  
30 plan has received deposits totaling at least one hundred fifty dollars,  
31 exclusive of the initial incentive contribution made pursuant to  
32 subdivision (1) of this subsection, not later than the designated  
33 beneficiary's fourth birthday, or, in the case of a designated beneficiary  
34 who is adopted, not later than four years after the date of adoption.

35 (d) The Treasurer may enter into one or more contractual  
36 agreements to fulfill the purpose of this section, and any such  
37 contractual agreement shall specify the rules of participation in the  
38 CHET Baby Scholars program. The Treasurer may pay for costs  
39 incidental to establishing the CHET Baby Scholars fund or the CHET  
40 Baby Scholars program, and any administrative costs related to  
41 maintaining such program, from the CHET Baby Scholars fund  
42 established pursuant to subsection (a) of this section.

43 Sec. 2. Section 12-743 of the general statutes is repealed and the  
44 following is substituted in lieu thereof (*Effective July 1, 2014*):

45 (a) Any taxpayer filing a return under this chapter may contribute  
46 any part of a refund under this chapter to (1) the organ transplant  
47 account established pursuant to section 17b-288, (2) the AIDS research  
48 education account established pursuant to section 19a-32a, (3) the  
49 endangered species, natural area preserves and watchable wildlife  
50 account established pursuant to section 22a-27l, (4) the breast cancer

51 research and education account established pursuant to section 19a-  
52 32b, [or] (5) the safety net services account established pursuant to  
53 section 17b-112f, or (6) an individual savings plan established under  
54 the Connecticut Higher Education Trust established pursuant to  
55 sections 3-22f to 3-22o, inclusive, as amended by this act, and section 3  
56 of this act. Such contribution shall be made by indicating on the tax  
57 return, in a manner provided for by the Commissioner of Revenue  
58 Services pursuant to subsection (b) of this section, the amount to be  
59 contributed to the account.

60 (b) (1) The Commissioner of Revenue Services shall revise the tax  
61 return form to implement the provisions of subsection (a) of this  
62 section, which form shall include spaces on the return in which  
63 taxpayers may indicate their intention to make a contribution, in a  
64 whole dollar amount, in accordance with this section. The  
65 commissioner shall include in the instructions accompanying the tax  
66 return a description of the purposes for which the organ transplant  
67 account, the AIDS research education account, the endangered species,  
68 natural area preserves and watchable wildlife account, the breast  
69 cancer research and education account, [and] the safety net services  
70 account and the Connecticut Higher Education Trust were created.

71 (2) For purposes of facilitating the registration of a taxpayer as an  
72 organ donor, the commissioner shall include information in the  
73 instructions accompanying the tax return that [(1)] (A) indicates the  
74 manner by which a taxpayer may contact an organ donor registry  
75 organization, or [(2)] (B) provides electronic links to appropriate organ  
76 donor registry organizations for such purpose.

77 (3) For purposes of facilitating the participation of a taxpayer in the  
78 Connecticut Higher Education Trust, the commissioner shall include  
79 information in the instructions accompanying the tax return that (A)  
80 indicates the manner by which the taxpayer may contact the  
81 administrator of the Connecticut Higher Education Trust, or (B)  
82 provides electronic links to such administrator for such purpose.

83 (c) A designated contribution of all or part of any refund shall be  
84 irrevocable upon the filing of the return and shall be made in the full  
85 amount designated if the refund found due the taxpayer upon the  
86 initial processing of the return, and after any deductions required by  
87 this chapter, is greater than or equal to the designated contribution. If  
88 the refund due, as determined upon initial processing, and after any  
89 deductions required by this chapter, is less than the designated  
90 contribution, the contribution shall be made in the full amount of the  
91 refund. The Commissioner of Revenue Services shall subtract the  
92 amount of any contribution of all or part of any refund from the  
93 amount of the refund initially found due the taxpayer and shall certify  
94 the difference to the Secretary of the Office of Policy and Management  
95 and the Treasurer for payment to the taxpayer in accordance with this  
96 chapter. For the purposes of any subsequent determination of the  
97 taxpayer's net tax payment, such contribution shall be considered a  
98 part of the refund paid to the taxpayer.

99 (d) [The] Except for any funds collected for purposes of subdivision  
100 (6) of subsection (a) of this section, the Commissioner of Revenue  
101 Services, after notification of and approval by the Secretary of the  
102 Office of Policy and Management, may deduct and retain from the  
103 remaining funds so collected an amount equal to the costs of  
104 implementing this section and sections 17b-288, 19a-32a, 22a-27l, 19a-  
105 32b and 17b-112f but not to exceed seven and one-half per cent of the  
106 funds contributed in any fiscal year and in no event shall exceed the  
107 total cost of implementation of said sections.

108 Sec. 3. (NEW) (*Effective from passage*) (a) Notwithstanding any  
109 provision of the general statutes, no moneys invested in the  
110 Connecticut Higher Education Trust shall be considered to be an asset  
111 for purposes of determining an individual's eligibility for assistance  
112 under the temporary family assistance program, as described in  
113 section 17b-112 of the general statutes, programs funded under the  
114 federal Low Income Home Energy Assistance Program block grant,  
115 and the federally appropriated weatherization assistance program, as

116 described in section 16a-41i of the general statutes.

117 (b) Notwithstanding any provision of the general statutes, no  
118 moneys invested in said trust shall be considered to be an asset for  
119 purposes of determining an individual's eligibility for need-based,  
120 institutional aid grants offered to an individual at the public eligible  
121 educational institutions in the state.

122 Sec. 4. Section 3-22f of the general statutes is repealed and the  
123 following is substituted in lieu thereof (*Effective from passage*):

124 As used in sections 3-22f to 3-22o, inclusive, as amended by this act,  
125 and section 3 of this act:

126 (1) "Depositor" means any person making a deposit, payment,  
127 contribution, gift or otherwise to the trust pursuant to a participation  
128 agreement;

129 (2) "Designated beneficiary" means (A) any individual (i) state  
130 resident originally designated in the participation agreement, (ii)  
131 subsequently designated who is a family member as defined in Section  
132 2032A(e)(2) of the Internal Revenue Code or (iii) receiving a  
133 scholarship from interests in the trust purchased by a state or local  
134 government or an organization described in Section 501(c)(3) of the  
135 Internal Revenue Code and qualified under Section 529 of the Internal  
136 Revenue Code or (B) any other designated beneficiary qualifying  
137 under said Section 529 enrolled in the trust;

138 (3) "Eligible educational institution" means an institution of higher  
139 education qualifying under Section 529 of the Internal Revenue Code  
140 as an eligible educational institution;

141 (4) "Internal Revenue Code" means the Internal Revenue Code of  
142 1986, or any subsequent corresponding internal revenue code of the  
143 United States, as from time to time amended;

144 (5) "Participation agreements" means agreements between the trust

145 and depositors for participation in a savings plan for a designated  
146 beneficiary;

147 (6) "Qualified higher education expenses" means tuition, fees, books,  
148 supplies and equipment required for the enrollment or attendance of a  
149 designated beneficiary at an eligible educational institution, including  
150 undergraduate and graduate schools and any other higher education  
151 expenses that may be permitted by Section 529 of the Internal Revenue  
152 Code; and

153 (7) "Trust" means the Connecticut Higher Education Trust.

154 Sec. 5. Section 3-22g of the general statutes is repealed and the  
155 following is substituted in lieu thereof (*Effective from passage*):

156 (a) There is established the Connecticut Higher Education Trust to  
157 promote and enhance the affordability and accessibility of higher  
158 education for residents of the state. The trust shall constitute an  
159 instrumentality of the state and shall perform essential governmental  
160 functions, as provided in sections 3-22f to 3-22o, inclusive, as amended  
161 by this act, and section 3 of this act. The trust shall receive and hold all  
162 payments and deposits or contributions intended for the trust,  
163 including contributions made pursuant to section 12-743, as amended  
164 by this act, as well as gifts, bequests, endowments or federal, state or  
165 local grants and any other funds from any public or private source and  
166 all earnings until disbursed in accordance with sections 3-22f to 3-22o,  
167 inclusive, as amended by this act, and section 3 of this act.

168 (b) The amounts on deposit in the trust shall not constitute property  
169 of the state and the trust shall not be construed to be a department,  
170 institution or agency of the state. Amounts on deposit in the trust shall  
171 not be commingled with state funds and the state shall have no claim  
172 to or against, or interest in, such funds. Any contract entered into by or  
173 any obligation of the trust shall not constitute a debt or obligation of  
174 the state and the state shall have no obligation to any designated  
175 beneficiary or any other person on account of the trust and all amounts

176 obligated to be paid from the trust shall be limited to amounts  
177 available for such obligation on deposit in the trust. The amounts on  
178 deposit in the trust may only be disbursed in accordance with the  
179 provisions of sections 3-22f to 3-22o, inclusive, as amended by this act,  
180 and section 3 of this act. The trust shall continue in existence as long as  
181 it holds any deposits or has any obligations and until its existence is  
182 terminated by law and upon termination any unclaimed assets shall  
183 return to the state. Property of the trust shall be governed by section 3-  
184 61a.

185 (c) The Treasurer shall be responsible for the receipt, maintenance,  
186 administration, investing and disbursements of amounts from the  
187 trust. The trust shall not receive deposits in any form other than cash.  
188 No depositor or designated beneficiary may direct the investment of  
189 any contributions or amounts held in the trust other than in the  
190 specific fund options provided for by the trust.

191 Sec. 6. Section 3-22h of the general statutes is repealed and the  
192 following is substituted in lieu thereof (*Effective from passage*):

193 The Treasurer, on behalf of the trust and for purposes of the trust,  
194 may:

195 (1) Receive and invest moneys in the trust in any instruments,  
196 obligations, securities or property in accordance with section 3-22i;

197 (2) Establish consistent terms for each participation agreement, bulk  
198 deposit, coupon or installment payments, including, but not limited to,  
199 (A) the method of payment into the trust by payroll deduction, transfer  
200 from bank accounts or otherwise, (B) the termination, withdrawal or  
201 transfer of payments under the trust, including transfers to or from a  
202 qualified tuition program established by another state pursuant to  
203 Section 529 of the Internal Revenue Code, (C) penalties for  
204 distributions not used or made in accordance with Section 529(b)(3) of  
205 the Internal Revenue Code, (D) changing of the identity of the  
206 designated beneficiary and (E) any charges or fees in connection with

207 the administration of the trust;

208 (3) Enter into one or more contractual agreements, including  
209 contracts for legal, actuarial, accounting, custodial, advisory,  
210 management, administrative, advertising, marketing and consulting  
211 services for the trust and pay for such services from the gains and  
212 earnings of the trust;

213 (4) Procure insurance in connection with the trust's property, assets,  
214 activities, or deposits or contributions to the trust;

215 (5) Apply for, accept and expend gifts, grants, or donations from  
216 public or private sources to enable the trust to carry out its objectives;

217 (6) Adopt regulations in accordance with chapter 54 for purposes of  
218 sections 3-22f to 3-22o, inclusive, as amended by this act, and section 3  
219 of this act;

220 (7) Sue and be sued;

221 (8) Establish one or more funds within the trust and maintain  
222 separate accounts for each designated beneficiary; and

223 (9) Take any other action necessary to carry out the purposes of  
224 sections 3-22f to 3-22o, inclusive, as amended by this act, and section 3  
225 of this act, and incidental to the duties imposed on the Treasurer  
226 pursuant to said sections.

227 Sec. 7. Section 3-22m of the general statutes is repealed and the  
228 following is substituted in lieu thereof (*Effective from passage*):

229 The state pledges to depositors, designated beneficiaries and with  
230 any party who enters into contracts with the trust, pursuant to the  
231 provisions of sections 3-22f to 3-22o, inclusive, as amended by this act,  
232 and section 3 of this act, that the state will not limit or alter the rights  
233 under said sections vested in the trust or contract with the trust until  
234 such obligations are fully met and discharged and such contracts are

235 fully performed on the part of the trust, provided nothing contained in  
236 this section shall preclude such limitation or alteration if adequate  
237 provision is made by law for the protection of such depositors and  
238 designated beneficiaries pursuant to the obligations of the trust or  
239 parties who entered into such contracts with the trust. The trust, on  
240 behalf of the state, may include this pledge and undertaking for the  
241 state in participation agreements and such other obligations or  
242 contracts.

243 Sec. 8. Section 3-22n of the general statutes is repealed and the  
244 following is substituted in lieu thereof (*Effective from passage*):

245 Nothing in sections 3-22f to 2-33o, inclusive, as amended by this act,  
246 or section 3 of this act, or in any participation agreement shall  
247 constitute nor be deemed to constitute an agreement, pledge, promise,  
248 or guarantee of admission or continued enrollment of any designated  
249 beneficiary or any other person to any eligible educational institution  
250 in the state or any other institution of higher education.

251 Sec. 9. Section 1-120 of the general statutes is repealed and the  
252 following is substituted in lieu thereof (*Effective July 1, 2014*):

253 As used in sections 1-120 to 1-123, inclusive:

254 (1) "Quasi-public agency" means Connecticut Innovations,  
255 Incorporated, [and] the Connecticut Health and Educational Facilities  
256 Authority, the Connecticut Higher Education Supplemental Loan  
257 Authority, the Connecticut Student Loan Foundation, the Connecticut  
258 Housing Finance Authority, the Connecticut Housing Authority, the  
259 Connecticut Resources Recovery Authority, the Capital Region  
260 Development Authority, the Connecticut Lottery Corporation, the  
261 Connecticut Airport Authority, the Health Information Technology  
262 Exchange of Connecticut, the Connecticut Health Insurance Exchange  
263 and the Clean Energy Finance and Investment Authority.

264 (2) "Procedure" means each statement, by a quasi-public agency, of  
265 general applicability, without regard to its designation, that

266 implements, interprets or prescribes law or policy, or describes the  
267 organization or procedure of any such agency. The term includes the  
268 amendment or repeal of a prior regulation, but does not include,  
269 unless otherwise provided by any provision of the general statutes, (A)  
270 statements concerning only the internal management of any agency  
271 and not affecting procedures available to the public, and (B) intra-  
272 agency memoranda.

273 (3) "Proposed procedure" means a proposal by a quasi-public  
274 agency under the provisions of section 1-121 for a new procedure or  
275 for a change in, addition to or repeal of an existing procedure.

276 Sec. 10. Section 1-124 of the general statutes is repealed and the  
277 following is substituted in lieu thereof (*Effective July 1, 2014*):

278 (a) Connecticut Innovations, Incorporated, the Connecticut Health  
279 and Educational Facilities Authority, the Connecticut Higher  
280 Education Supplemental Loan Authority, the Connecticut Student  
281 Loan Foundation, the Connecticut Housing Finance Authority, the  
282 Connecticut Housing Authority, the Connecticut Resources Recovery  
283 Authority, the Health Information Technology Exchange of  
284 Connecticut, the Connecticut Airport Authority, the Capital Region  
285 Development Authority, the Connecticut Health Insurance Exchange  
286 and the Clean Energy Finance and Investment Authority shall not  
287 borrow any money or issue any bonds or notes which are guaranteed  
288 by the state of Connecticut or for which there is a capital reserve fund  
289 of any kind which is in any way contributed to or guaranteed by the  
290 state of Connecticut until and unless such borrowing or issuance is  
291 approved by the State Treasurer or the Deputy State Treasurer  
292 appointed pursuant to section 3-12. The approval of the State Treasurer  
293 or said deputy shall be based on documentation provided by the  
294 authority that it has sufficient revenues to (1) pay the principal of and  
295 interest on the bonds and notes issued, (2) establish, increase and  
296 maintain any reserves deemed by the authority to be advisable to  
297 secure the payment of the principal of and interest on such bonds and  
298 notes, (3) pay the cost of maintaining, servicing and properly insuring

299 the purpose for which the proceeds of the bonds and notes have been  
300 issued, if applicable, and (4) pay such other costs as may be required.

301 (b) To the extent Connecticut Innovations, Incorporated, [and] the  
302 Connecticut Higher Education Supplemental Loan Authority, the  
303 Connecticut Housing Finance Authority, the Connecticut Housing  
304 Authority, the Connecticut Resources Recovery Authority, the  
305 Connecticut Health and Educational Facilities Authority, the  
306 Connecticut Student Loan Foundation, the Health Information  
307 Technology Exchange of Connecticut, the Connecticut Airport  
308 Authority, the Capital Region Development Authority, the  
309 Connecticut Health Insurance Exchange or the Clean Energy Finance  
310 and Investment Authority is permitted by statute and determines to  
311 exercise any power to moderate interest rate fluctuations or enter into  
312 any investment or program of investment or contract respecting  
313 interest rates, currency, cash flow or other similar agreement,  
314 including, but not limited to, interest rate or currency swap  
315 agreements, the effect of which is to subject a capital reserve fund  
316 which is in any way contributed to or guaranteed by the state of  
317 Connecticut, to potential liability, such determination shall not be  
318 effective until and unless the State Treasurer or his or her deputy  
319 appointed pursuant to section 3-12 has approved such agreement or  
320 agreements. The approval of the State Treasurer or his or her deputy  
321 shall be based on documentation provided by the authority that it has  
322 sufficient revenues to meet the financial obligations associated with the  
323 agreement or agreements.

324 Sec. 11. Section 1-125 of the general statutes is repealed and the  
325 following is substituted in lieu thereof (*Effective July 1, 2014*):

326 The directors, officers and employees of Connecticut Innovations,  
327 Incorporated, [and] the Connecticut Higher Education Supplemental  
328 Loan Authority, the Connecticut Housing Finance Authority, the  
329 Connecticut Housing Authority, the Connecticut Resources Recovery  
330 Authority, including ad hoc members of the Connecticut Resources  
331 Recovery Authority, the Connecticut Health and Educational Facilities

332 Authority, the Connecticut Student Loan Foundation, the Capital  
333 Region Development Authority, the Health Information Technology  
334 Exchange of Connecticut, the Connecticut Airport Authority, the  
335 Connecticut Lottery Corporation, the Connecticut Health Insurance  
336 Exchange and the Clean Energy Finance and Investment Authority  
337 and any person executing the bonds or notes of the agency shall not be  
338 liable personally on such bonds or notes or be subject to any personal  
339 liability or accountability by reason of the issuance thereof, nor shall  
340 any director or employee of the agency, including ad hoc members of  
341 the Connecticut Resources Recovery Authority, be personally liable for  
342 damage or injury, not wanton, reckless, wilful or malicious, caused in  
343 the performance of his or her duties and within the scope of his or her  
344 employment or appointment as such director, officer or employee,  
345 including ad hoc members of the Connecticut Resources Recovery  
346 Authority. The agency shall protect, save harmless and indemnify its  
347 directors, officers or employees, including ad hoc members of the  
348 Connecticut Resources Recovery Authority, from financial loss and  
349 expense, including legal fees and costs, if any, arising out of any claim,  
350 demand, suit or judgment by reason of alleged negligence or alleged  
351 deprivation of any person's civil rights or any other act or omission  
352 resulting in damage or injury, if the director, officer or employee,  
353 including ad hoc members of the Connecticut Resources Recovery  
354 Authority, is found to have been acting in the discharge of his or her  
355 duties or within the scope of his or her employment and such act or  
356 omission is found not to have been wanton, reckless, wilful or  
357 malicious.

358 Sec. 12. Section 10a-178 of the general statutes is amended by adding  
359 subsection (q) as follows (*Effective July 1, 2014*):

360 (NEW) (q) "Connecticut Student Loan Foundation" means the  
361 Connecticut Student Loan Foundation established pursuant to chapter  
362 187a that is a subsidiary of the authority as provided in section 13 of  
363 this act, and that is deemed a quasi-public agency for purposes of  
364 chapter 12.

365       Sec. 13. (NEW) (*Effective July 1, 2014*) (a) The Connecticut Student  
366 Loan Foundation is constituted as a subsidiary of the Connecticut  
367 Health and Educational Facilities Authority. The Connecticut Student  
368 Loan Foundation shall have all the privileges, immunities, tax  
369 exemptions and other exemptions of the Connecticut Health and  
370 Educational Facilities Authority and may exercise the powers granted  
371 pursuant to chapter 187a of the general statutes, which shall be  
372 deemed and held to be the performance of an essential public and  
373 government function. The Connecticut Student Loan Foundation shall  
374 be subject to suit and liability solely from the assets, revenues and  
375 resources of the Connecticut Student Loan Foundation and without  
376 recourse to the general funds, revenues, resources or any other assets  
377 of the Connecticut Health and Educational Facilities Authority or any  
378 other subsidiary of the Connecticut Health and Educational Facilities  
379 Authority.

380       (b) (1) On and after July 1, 2014, the board of directors of the  
381 Connecticut Higher Education Supplemental Loan Authority,  
382 appointed in accordance with section 10a-179a of the general statutes,  
383 shall also serve as the board of directors for the Connecticut Student  
384 Loan Foundation. Any member of the Connecticut Student Loan  
385 Foundation board may be removed by the board of directors of the  
386 Connecticut Health and Educational Facilities Authority for  
387 misfeasance, malfeasance or neglect of duty. Each member of the  
388 Connecticut Student Loan Foundation board, before entering upon his  
389 or her duties, shall take and subscribe the oath or affirmation required  
390 by section 1 of article eleventh of the State Constitution. A record of  
391 each such oath shall be filed in the office of the Secretary of the State.

392       (2) The chairperson of the board of directors of the Connecticut  
393 Higher Education Supplemental Loan Authority shall serve as the  
394 chairperson of the Connecticut Student Loan Foundation board of  
395 directors. The Connecticut Student Loan Foundation board shall  
396 annually elect one of its members as vice-chairperson. The Connecticut  
397 Student Loan Foundation board may appoint an executive director,

398 who shall be an employee of the Connecticut Health and Educational  
399 Facilities Authority or of the Connecticut Higher Education  
400 Supplemental Loan Authority, and who shall serve at the pleasure of  
401 the Connecticut Student Loan Foundation board. The executive  
402 director shall supervise the administrative affairs and technical  
403 activities of the Connecticut Student Loan Foundation in accordance  
404 with the directives of the board. The executive director shall keep a  
405 record of all proceedings and shall be custodian of all books,  
406 documents and papers filed with the Connecticut Student Loan  
407 Foundation and of its minute book and its official seal.

408 (3) Directors shall receive no compensation for their services, but  
409 shall be reimbursed for expenses actually and necessarily incurred by  
410 them in the performance of their duties under this section.

411 (4) The board of directors shall adopt bylaws for the Connecticut  
412 Student Loan Foundation and provide for the holding of regular and  
413 special meetings. A majority of the directors shall constitute a quorum  
414 for the transaction of any business and, unless a greater number is  
415 required by the bylaws of the Connecticut Student Loan Foundation,  
416 the act of a majority of the directors present at any meeting shall be  
417 deemed the act of the board.

418 (5) The board of directors may elect an executive committee of not  
419 fewer than five members who, in intervals between meetings of the  
420 board, may transact such business of the Connecticut Student Loan  
421 Foundation as the board may from time to time authorize.

422 (c) The provisions of section 1-125 of the general statutes, as  
423 amended by this act, subsection (e) of section 10a-185 of the general  
424 statutes and this subsection shall apply to any officer, director,  
425 designee or employee of the Connecticut Higher Education  
426 Supplemental Loan Authority or of the Connecticut Health and  
427 Educational Facilities Authority appointed as a member, director or  
428 officer of the Connecticut Student Loan Foundation and to an  
429 employee of the Connecticut Health and Educational Facilities

430 Authority who is an authorized officer of the authority. Any such  
431 persons so appointed shall not be personally liable for the debts,  
432 obligations or liabilities of the Connecticut Student Loan Foundation as  
433 provided in said section 1-125. The Connecticut Student Loan  
434 Foundation shall and the Connecticut Health and Educational  
435 Facilities Authority may provide for the indemnification to protect,  
436 save harmless and indemnify such officer, director, designee or  
437 employee as provided by said section 1-125.

438 (d) The Connecticut Health and Educational Facilities Authority or  
439 the Connecticut Student Loan Foundation may take such actions as are  
440 necessary to comply with the provisions of the Internal Revenue Code  
441 of 1986 or any subsequent corresponding internal revenue code of the  
442 United States, as from time to time amended, to qualify and maintain  
443 any such subsidiary as a corporation exempt from taxation under said  
444 Internal Revenue Code.

445 Sec. 14. Section 10a-180 of the general statutes is amended by adding  
446 subsection (y) as follows (*Effective July 1, 2014*):

447 (NEW) (y) To provide and be compensated for such services to or  
448 on behalf of the Connecticut Student Loan Foundation as are  
449 appropriate for the operation and management of said foundation,  
450 including, without limitation, to provide to said foundation and to be  
451 reimbursed for costs associated with such space, equipment, supplies  
452 and employees as are necessary and appropriate for the operations of  
453 said foundation.

454 Sec. 15. Section 10a-201 of the general statutes is repealed and the  
455 following is substituted in lieu thereof (*Effective July 1, 2014*):

456 There is hereby created a nonprofit corporation which shall be  
457 known as the Connecticut Student Loan Foundation, and shall be a  
458 subsidiary of the Connecticut Health and Educational Facilities  
459 Authority. The purpose of said corporation shall be to improve  
460 educational opportunity and promote repayment of loans. Improving

461 educational opportunity shall include, but not be limited to, the  
462 following: (1) Guaranteeing loans for persons to assist them in meeting  
463 the expenses of education, including alternative loans and loans that  
464 are governed by Title IV, Part B of the Higher Education Act of 1965, as  
465 from time to time amended; (2) lending funds or acquiring loans made  
466 to persons to assist them in meeting the expenses of education,  
467 including alternative loans and loans that are governed by Title IV,  
468 Part B of the Higher Education Act of 1965, as from time to time  
469 amended; and (3) providing appropriate services incident to the  
470 administration of programs which are established to improve  
471 educational opportunities, all in accordance with the provisions of this  
472 chapter. Said corporation shall be exempt from all requirements of  
473 chapter 602.

474 Sec. 16. Section 10a-202 of the general statutes is repealed and the  
475 following is substituted in lieu thereof (*Effective July 1, 2014*):

476 As used in this chapter, the following terms shall have the following  
477 meanings:

478 [(a)] (1) "Corporation" means the Connecticut Student Loan  
479 Foundation that is a subsidiary of the Connecticut Health and  
480 Educational Facilities Authority as provided in section 13 of this act;

481 [(b)] (2) "Board" means the board of directors of the Connecticut  
482 Student Loan Foundation, as provided in section 13 of this act;

483 (3) "Connecticut Health and Educational Facilities Authority" means  
484 the authority established pursuant to section 10a-179;

485 [(c)] (4) "Eligible institution" means "eligible institution", as defined  
486 in Title IV, Part B of the Higher Education Act of 1965;

487 [(d)] (5) "An institution of higher education" means "institution of  
488 higher education", as defined in Title IV, Part B of the Higher  
489 Education Act of 1965;

490        [(e)] (6) "Title IV, Part B of the Higher Education Act of 1965" means  
 491 the applicable provisions of Title IV, Part B of the Higher Education  
 492 Act of 1965, as amended, and the regulations promulgated thereunder  
 493 and as the same may from time to time be amended;

494        [(f)] (7) "Eligible lender" means "eligible lender", as defined in Title  
 495 IV, Part B of the Higher Education Act of 1965, where applicable.

496        Sec. 17. Section 10a-204 of the general statutes is amended by adding  
 497 subdivision (9) as follows (*Effective July 1, 2014*):

498        (NEW) (9) To distribute excess corporation funds to the Connecticut  
 499 Health and Educational Facilities Authority or any subsidiary of said  
 500 authority for the purpose of such recipient's provision of financial  
 501 assistance to qualified students attending institutions of higher  
 502 education, including, without limitation, loans, scholarships or grants  
 503 and financial literacy education.

504        Sec. 18. Section 10a-203 of the general statutes is repealed. (*Effective*  
 505 *July 1, 2014*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2014</i>	New section
Sec. 2	<i>July 1, 2014</i>	12-743
Sec. 3	<i>from passage</i>	New section
Sec. 4	<i>from passage</i>	3-22f
Sec. 5	<i>from passage</i>	3-22g
Sec. 6	<i>from passage</i>	3-22h
Sec. 7	<i>from passage</i>	3-22m
Sec. 8	<i>from passage</i>	3-22n
Sec. 9	<i>July 1, 2014</i>	1-120
Sec. 10	<i>July 1, 2014</i>	1-124
Sec. 11	<i>July 1, 2014</i>	1-125
Sec. 12	<i>July 1, 2014</i>	10a-178
Sec. 13	<i>July 1, 2014</i>	New section
Sec. 14	<i>July 1, 2014</i>	10a-180
Sec. 15	<i>July 1, 2014</i>	10a-201

Sec. 16	<i>July 1, 2014</i>	10a-202
Sec. 17	<i>July 1, 2014</i>	10a-204
Sec. 18	<i>July 1, 2014</i>	Repealer section

***Statement of Legislative Commissioners:***

In section 5(a), a reference to contributions made pursuant to section 12-743 of the general statutes was added, for clarity and accuracy.

***FIN***      *Joint Favorable Subst.*