



General Assembly

**Substitute Bill No. 5332**

February Session, 2016

\* \_\_\_\_\_HB05332HED\_\_\_\_031516\_\_\_\_\_\*

**AN ACT CONCERNING THE GOVERNOR'S SCHOLARSHIP PROGRAM.**

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

1 Section 1. Section 10a-173 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective July 1, 2016*):

3 (a) For the purposes of this section:

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

7 (2) "Full-time or part-time undergraduate student" means a student  
8 who is enrolled at an institution of higher education in a course of  
9 study leading to such student's first associate or bachelor degree and  
10 who is carrying, for a full-time student, twelve or more semester credit  
11 hours, or, for a part-time student, between [~~six~~] three and eleven  
12 semester credit hours at such institution of higher education;

13 (3) "Independent institution of higher education" means a nonprofit  
14 institution established in this state (A) that has degree-granting  
15 authority in this state; (B) that has its main campus located in this state;  
16 (C) that is not included in the Connecticut system of public higher  
17 education; and (D) whose primary function is not the preparation of

18 students for religious vocation;

19 (4) "Public institution of higher education" means the constituent  
20 units of the state system of higher education identified in subdivisions  
21 (1) to (4), inclusive, of section 10a-1;

22 (5) "Eligible educational costs" means the tuition and required fees  
23 for an individual student that are published by each institution of  
24 higher education participating in the grant program established under  
25 this section, plus a fixed amount for required books and educational  
26 supplies as determined by the Office of Higher Education.

27 (b) The state, acting through the Office of Higher Education, shall  
28 establish the Governor's Scholarship program to annually make need-  
29 based financial aid available for eligible educational costs for  
30 Connecticut residents enrolled at Connecticut's public and  
31 independent institutions of higher education as full-time or part-time  
32 undergraduate students beginning with new or transfer students in the  
33 fiscal year ending June 30, 2014. Any award made to a student in the  
34 fiscal year ending June 30, 2013, under the capitol scholarship grant  
35 program, established under section 10a-169 of the general statutes,  
36 revision of 1958, revised to January 1, 2013, the Connecticut aid to  
37 public college students grant program, established under section 10a-  
38 164a of the general statutes, revision of 1958, revised to January 1, 2013,  
39 Connecticut aid to Charter Oak, established under subsection (c) of  
40 section 10a-164a of the general statutes, revision of 1958, revised to  
41 January 1, 2013, or the Connecticut independent college student grant  
42 program, established under section 10a-36 of the general statutes,  
43 revision of 1958, revised to January 1, 2013, shall be offered under the  
44 Governor's Scholarship program and be renewable for the life of the  
45 original award, provided such student meets and continues to meet  
46 the need and academic standards established for purposes of the  
47 program under which such student received the original award.

48 (c) [Within available appropriations, the] The Governor's  
49 Scholarship program shall [be comprised of] include a need and merit-

50 based grant, a need-based grant [,] and a Charter Oak grant. [, and a  
51 performance incentive pool.] The need and merit-based grant shall be  
52 funded at [not less than] up to twenty per cent of available  
53 appropriations. The need-based grant shall be funded at [up to] not  
54 less than eighty per cent of available appropriations. The Charter Oak  
55 grant shall be not less than one hundred thousand dollars of available  
56 appropriations. [The incentive pool shall be not less than two and one-  
57 half per cent of available appropriations.] There shall be an  
58 administrative allowance based on one-quarter of one per cent of the  
59 available appropriations, but not less than one hundred thousand  
60 dollars. [Not less than thirty-eight per cent of the annual appropriation  
61 shall be allocated to the independent institutions of higher education  
62 for the fiscal year ending June 30, 2014, and not less than thirty-six per  
63 cent of such appropriation shall be allocated to such institutions for the  
64 fiscal year ending June 30, 2015.]

65 (d) The Governor's Scholarship need and merit-based grant shall be  
66 available to any Connecticut resident who is a full-time or part-time  
67 undergraduate student at any public or independent institution of  
68 higher education. [beginning in the fiscal year ending June 30, 2014.]  
69 The Office of Higher Education shall determine eligibility by financial  
70 need based on family contribution and eligibility by merit based on  
71 either previous high school academic achievement or performance on  
72 standardized academic aptitude tests. The Office of Higher Education  
73 shall make awards [according to a sliding scale, annually determined  
74 by said office, up to a maximum family contribution and based on  
75 available appropriations and eligible students. The Governor's  
76 Scholarship need and merit-based grant shall be awarded in a higher  
77 amount than the need-based grant awarded pursuant to subsection (e)  
78 of this section. Recipients of the need and merit-based grant shall not  
79 be eligible to receive an additional need-based award.] (1) to eligible  
80 full-time students enrolled in courses earning at least twelve credits in  
81 an amount up to one thousand dollars, and (2) to eligible part-time  
82 students in an amount that is prorated according to the number of  
83 credits each student will earn for completing the course or courses in

84 which such student is enrolled, such that a student enrolled in a course  
85 or courses earning (A) at least nine but less than twelve credits is  
86 eligible for up to seventy-five per cent of the maximum award, (B) at  
87 least six but less than nine credits is eligible for up to fifty per cent of  
88 the maximum award, and (C) at least three but less than six credits is  
89 eligible for up to twenty-five per cent of the maximum award. The  
90 order of institutions of higher education provided by a student on the  
91 student's Free Application for Federal Student Aid shall not affect the  
92 student's eligibility for an award under this subsection. The accepting  
93 institution of higher education shall disburse sums awarded under  
94 [such] the need and merit-based grant for payment of the student's  
95 eligible educational costs. Recipients of the need and merit-based grant  
96 shall also receive a need-based grant under subsection (e) of this  
97 section.

98 (e) The Governor's Scholarship need-based grant shall be available  
99 to any Connecticut resident who is a full-time or part-time  
100 undergraduate student at any public or independent institution of  
101 higher education, [beginning in the fiscal year ending June 30, 2014.  
102 The Office of Higher Education shall determine eligibility based on  
103 family contribution.] The amount of the annual appropriation to be  
104 allocated to each institution of higher education shall be determined by  
105 its actual [eligible enrollment based on family contribution during the  
106 fiscal year one year prior to the grant year] full-time equivalent  
107 enrollment of undergraduate students who are Connecticut residents  
108 with a family contribution during the fall semester of the fiscal year  
109 two years prior to the grant year of an amount not greater than two  
110 hundred per cent of the maximum family contribution eligible for a  
111 federal Pell grant award for the academic year one year prior to the  
112 grant year. Not later than July first, annually, each institution of higher  
113 education shall report such enrollment data to the Office of Higher  
114 Education. Not later than October first, annually, the Office of Higher  
115 Education shall (1) publish such enrollment data on its Internet web  
116 site, and (2) notify each institution of higher education of the  
117 proportion of the annual appropriation that such institution of higher

118 education will receive the following fiscal year and publish the  
119 proportions for each institution of higher education on its Internet web  
120 site. Participating institutions of higher education shall make awards  
121 [according to a sliding scale, annually determined by the Office of  
122 Higher Education, up to a maximum family contribution and based on  
123 available appropriations and the number of eligible students] (A) to  
124 eligible full-time students enrolled in courses earning at least twelve  
125 credits in an amount up to four thousand five hundred dollars, and (B)  
126 to eligible part-time students in an amount that is prorated according  
127 to the number of credits each student will earn for completing the  
128 course or courses in which such student is enrolled, such that a student  
129 enrolled in a course or courses earning (i) at least nine but less than  
130 twelve credits is eligible for up to seventy-five per cent of the  
131 maximum award, (ii) at least six but less than nine credits is eligible for  
132 up to fifty per cent of the maximum award, and (iii) at least three but  
133 less than six credits is eligible for up to twenty-five per cent of the  
134 maximum award. Each participating institution of higher education  
135 shall expend all of the moneys received under the Governor's  
136 Scholarship program as direct financial assistance only for eligible  
137 educational costs. [based on the sliding scale determined by the Office  
138 of Higher Education and the maximum award amounts set by said  
139 office.]

140 (f) Participating institutions of higher education shall annually  
141 provide the Office of Higher Education with data and reports on all  
142 Connecticut students who applied for financial aid, including, but not  
143 limited to, students receiving a Governor's Scholarship grant, in a form  
144 and at a time determined by said office. If an institution of higher  
145 education fails to submit information to the Office of Higher Education  
146 as directed, such institution shall be prohibited from participating in  
147 the scholarship program in the fiscal year following the fiscal year in  
148 which such institution failed to submit such information. Each  
149 participating institution of higher education shall maintain, for a  
150 period of not less than three years, records substantiating the reported  
151 number of Connecticut students and documentation utilized by the

152 institution of higher education in determining eligibility of the student  
153 grant recipients. Such records shall be subject to audit. Funds not  
154 obligated by an institution of higher education shall be returned by  
155 [February fifteenth] May first in the fiscal year the grant was made to  
156 the Office of Higher Education for reallocation. Financial aid provided  
157 to Connecticut residents under this program shall be designated as a  
158 grant from the Governor's Scholarship program.

159 (g) The Governor's Scholarship Charter Oak grant shall be available  
160 to any full-time or part-time undergraduate student enrolled in  
161 Charter Oak State College, [beginning in the fiscal year ending June 30,  
162 2014.] The Office of Higher Education shall allocate any appropriation  
163 to Charter Oak State College to be used to provide grants for eligible  
164 educational costs to residents of this state who demonstrate substantial  
165 financial need and who are matriculated in a degree program at  
166 Charter Oak State College. Individual awards shall not exceed a  
167 student's calculated eligible educational costs. Financial aid provided  
168 to Connecticut residents under this program shall be designated as a  
169 grant from the Governor's Scholarship program.

170 [(h) The Governor's Scholarship incentive pool shall be created to  
171 encourage retention and completion for any student who (1) receives  
172 the Governor's Scholarship need-based grant, (2) returns with  
173 sufficient credits to complete such student's associate degree in two  
174 years or bachelor degree in four years, and (3) exceeds the minimum  
175 satisfactory academic performance standards as determined by the  
176 Office of Higher Education. Such student shall be eligible beginning in  
177 the second year of such student's need-based grant. The pool shall be  
178 distributed to participating institutions of higher education based on  
179 eligibility as determined by the Office of Higher Education.]

180 [(i) (h) In administering the Governor's Scholarship program, the  
181 Office of Higher Education shall develop and utilize fiscal procedures  
182 designed to ensure accountability of the public funds expended. Such  
183 procedures shall include provisions for compliance audits that shall be  
184 conducted by the Office of Higher Education on any institution of

185 higher education that participates in the program. Commencing with  
186 the fiscal year ending June 30, 2015, and biennially thereafter, each  
187 such institution of higher education shall submit the results of an audit  
188 done by an independent certified public accountant for each year of  
189 participation in the program. Any institution of higher education  
190 determined by the Office of Higher Education not to be in substantial  
191 compliance with the provisions of the Governor's Scholarship program  
192 shall be ineligible to receive funds under the program for the fiscal  
193 year following the fiscal year in which the institution of higher  
194 education was determined not to be in substantial compliance.  
195 Funding shall be restored when the Office of Higher Education  
196 determines that the institution of higher education has returned to  
197 substantial compliance.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2016</i>	10a-173

**HED**      *Joint Favorable Subst.*