AN ACT REQUIRING THE CONNECTICUT HIGHER EDUCATION SUPPLEMENTAL LOAN AUTHORITY TO ESTABLISH A STUDENT LOAN SUBSIDY PROGRAM.

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

Section 1. (NEW) (Effective July 1, 2020) (a) The Connecticut Higher Education Supplemental Loan Authority shall establish a Student Loan Subsidy Program, subject to available funding, for the purpose of subsidizing interest rates on authority loans, as defined in section 10a-223 of the general statutes, to individuals who (1) are employed in the state, (2) commit to live in the state for not less than five years, and (3) meet such other eligibility criteria as established by the authority and the Secretary of the Office of Policy and Management. The authority shall maintain a separate, nonlapsing account to hold funds for the Student Loan Subsidy Program. The account shall contain any moneys required by law to be deposited in the account, including, but not limited to, state appropriations or proceeds from the sale of bonds authorized under section 2 of this act. Moneys in the account shall be expended by the authority for the purposes of the Student Loan Subsidy Program, including for reasonable and necessary expenses for the administration of such program.

(b) The Secretary of the Office of Policy and Management shall enter into a memorandum of agreement with the authority to establish the
administrative guidelines for the Student Loan Subsidy Program, including, but not limited to, (1) applicant eligibility, (2) employment positions that qualify for the Student Loan Subsidy Program, (3) interest rate subsidies and principal limits on authority loans subject to the Student Loan Subsidy Program, (4) the process for verifying the residency and employment of the applicants, and (5) the requirement that an interest rate subsidy through the Student Loan Subsidy Program shall terminate for any individual who ceases to reside in the state during the term of such individual's loan from the authority.

Sec. 2. (NEW) (Effective July 1, 2020) (a) For the purposes described in subsection (b) of this section and section 1 of this act, the State Bond Commission shall have the power from time to time to authorize the issuance of bonds of the state in one or more series and in principal amounts not exceeding in the aggregate fifteen million dollars.

(b) The proceeds of the sale of such bonds, to the extent of the amount stated in subsection (a) of this section, shall be used by the Office of Policy and Management for the purpose of the Student Loan Subsidy Program established under section 1 of this act.

(c) All provisions of section 3-20 of the general statutes, or the exercise of any right or power granted thereby, that are not inconsistent with the provisions of this section are hereby adopted and shall apply to all bonds authorized by the State Bond Commission pursuant to this section. Temporary notes in anticipation of the money to be derived from the sale of any such bonds so authorized may be issued in accordance with section 3-20 of the general statutes and from time to time renewed. Such bonds shall mature at such time or times not exceeding twenty years from their respective dates as may be provided in or pursuant to the resolution or resolutions of the State Bond Commission authorizing such bonds. None of such bonds shall be authorized except upon a finding by the State Bond Commission that there has been filed with it a request for such authorization that is signed by or on behalf of the Secretary of the Office of Policy and Management.
and states such terms and conditions as said commission, in its
discretion, may require. Such bonds issued pursuant to this section shall
be general obligations of the state and the full faith and credit of the state
of Connecticut are pledged for the payment of the principal of and
interest on such bonds as the same become due, and accordingly and as
part of the contract of the state with the holders of such bonds,
appropriation of all amounts necessary for punctual payment of such
principal and interest is hereby made, and the State Treasurer shall pay
such principal and interest as the same become due.

This act shall take effect as follows and shall amend the following
sections:

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<th>Section 1</th>
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<td>Sec. 2</td>
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