



General Assembly

January Session, 2021

Raised Bill No. 6404

LCO No. 3000



Referred to Committee on HIGHER EDUCATION AND
EMPLOYMENT ADVANCEMENT

Introduced by:
(HED)

**AN ACT FUNDING THE DEBT-FREE COMMUNITY COLLEGE
PROGRAM.**

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

1 Section 1. (NEW) (*Effective from passage*) (a) There is established an
2 account to be known as the "debt-free community college account"
3 which shall be a separate, nonlapsing account within the General Fund.
4 The account shall contain any moneys required by law to be deposited
5 in the account, including, but not limited to, (1) state appropriations for
6 the debt-free community college program established pursuant to
7 section 10a-174 of the general statutes, (2) funds transferred from the
8 Philanthropic Match account, established pursuant to section 10-265ff of
9 the general statutes, in accordance with the provisions of subsection (b)
10 of this section, and (3) deposits from the Connecticut Lottery
11 Corporation in accordance with subsection (c) of section 12-812 of the
12 general statutes, as amended by this act. Moneys in the account shall be
13 expended by the Board of Regents for Higher Education for the
14 purposes of the debt-free community college program.

15 (b) The balance of the funds remaining in the Philanthropic Match
16 account shall be transferred to the debt-free community college account,
17 to be available for expenditure during the fiscal year ending June 30,
18 2022, and each fiscal year thereafter, by the Board of Regents for Higher
19 Education for the debt-free community college program.

20 Sec. 2. Section 12-812 of the general statutes is repealed and the
21 following is substituted in lieu thereof (*Effective July 1, 2021*):

22 (a) The president of the corporation, subject to the direction of the
23 board, shall conduct daily, weekly, multistate, special instant or other
24 lottery games and shall determine the number of times a lottery shall be
25 held each year, the form and price of the tickets and the aggregate
26 amount of prizes, which shall not be less than forty-five per cent of the
27 sales unless required by the terms of any agreement entered into for the
28 conduct of multistate lottery games. The proceeds of the sale of tickets
29 shall be deposited in the lottery fund of the corporation from which
30 prizes shall be paid, upon vouchers signed by the president, or by either
31 of two persons designated and authorized by him, in such numbers and
32 amounts as the president determines. The corporation may limit its
33 liability in games with fixed payouts and may cause a cessation of sales
34 of tickets of certain designation when such liability limit has been
35 reached.

36 (b) The president, subject to the direction of the board, may enter into
37 agreements for the sale of product advertising on lottery tickets, play
38 slips and other lottery media.

39 (c) On a weekly basis, the president shall estimate, and certify to the
40 State Treasurer, that portion of the balance in the lottery fund which
41 exceeds the current needs of the corporation for the payment of prizes,
42 the payment of current operating expenses and funding of approved
43 reserves of the corporation. The corporation shall transfer the amount
44 so certified from the lottery fund of the corporation to the General Fund
45 upon notification of receipt of such certification by the Treasurer, except
46 that (1) if the amount on deposit in the Connecticut Teachers' Retirement

47 Fund Bonds Special Capital Reserve Fund, established in section 10-
48 183vv, is less than the required minimum capital reserve, as defined in
49 subsection (b) of said section, the corporation shall pay such amount so
50 certified to the trustee of the fund for deposit in the fund, and (2) after
51 any required deposit in said capital reserve fund pursuant to
52 subdivision (1) of this subsection, any remaining portion of the amount
53 so certified that is generated from an offering of lottery draw games
54 through the corporation's Internet web site, online service or mobile
55 application shall be deposited into the debt-free community college
56 account established pursuant to section 1 of this act. If the corporation
57 transfers any moneys to the General Fund at any time when the amount
58 on deposit in [said capital reserve fund] the Connecticut Teachers'
59 Retirement Fund Bonds Special Capital Reserve Fund is less than the
60 required minimum capital reserve, the amount of such transfer shall be
61 deemed appropriated from the General Fund to [the Connecticut
62 Teachers' Retirement Fund Bonds Special Capital Reserve Fund] said
63 capital reserve fund.

64 (d) Not later than thirty days after the initial online offering of any
65 lottery draw game by the corporation, and on January first annually
66 thereafter, the president of the corporation shall estimate and report to
67 the Board of Regents for Higher Education the anticipated amount of
68 the deposit required pursuant to subsection (c) of this section.

69 Sec. 3. Subdivision (6) of section 12-801 of the general statutes is
70 repealed and the following is substituted in lieu thereof (*Effective July 1,*
71 *2021*):

72 (6) "Lottery fund" means a fund or funds established by, and under
73 the management and control of, the corporation, into which all lottery
74 revenues of the corporation are deposited, from which all payments and
75 expenses of the corporation are paid and from which transfers to the
76 General Fund, [or] the Connecticut Teachers' Retirement Fund Bonds
77 Special Capital Reserve Fund, established in section 10-183vv, or the
78 debt-free community college account, established pursuant to section 1
79 of this act, are made pursuant to section 12-812, as amended by this act;

80 and

81 Sec. 4. (NEW) (*Effective July 1, 2021*) (a) As used in this section,
82 "endowment fund eligible gift" means a gift to or for the benefit of the
83 debt-free community college program of cash or assets that may be
84 reduced to cash by the Board of Regents for Higher Education that the
85 donor has specifically designated as a donation for the debt-free
86 community college program, or that, explicitly or implicitly by the terms
87 of the gift, the board may and does deposit in the Endowment Fund for
88 the Debt-free Community College Program established pursuant to
89 subsection (b) of this section.

90 (b) Not later than January 1, 2022, the Board of Regents for Higher
91 Education shall establish a permanent Endowment Fund for the Debt-
92 free Community College Program, the funds of which are dedicated and
93 made available for the purpose of awards to qualifying students under
94 the debt-free community college program, established pursuant to
95 section 10a-174 of the general statutes. The endowment fund shall be
96 administered by the Board of Regents for Higher Education or by a
97 nonprofit entity entrusted for such purpose and qualified as a Section
98 501(c)(3) organization under the Internal Revenue Code of 1986, or any
99 subsequent corresponding internal revenue code of the United States,
100 as amended from time to time, and shall be held in a trust fund with a
101 bank or trust company separate and apart from all other funds and
102 accounts of the state and said board. There shall be deposited into the
103 endowment fund: (1) Endowment fund eligible gifts; and (2) interest or
104 other earnings from the investment of moneys in the endowment fund.
105 The board or nonprofit administrator of the endowment fund shall
106 invest as much of the endowment fund as is not required for current
107 disbursements pursuant to section 5 of this act.

108 (c) The Board of Regents for Higher Education may adopt policies
109 concerning the solicitation of endowment fund eligible gifts and to carry
110 out the purposes of this section.

111 Sec. 5. (NEW) (*Effective July 1, 2021*) On and after July 1, 2023, the

112 Board of Regents for Higher Education shall use funds in the
113 Endowment Fund for the Debt-free Community College Program, in
114 addition to the funds in the debt-free community college account
115 established pursuant to section 1 of this act, to make awards to
116 qualifying students in accordance with the provisions of section 10a-174
117 of the general statutes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>July 1, 2021</i>	12-812
Sec. 3	<i>July 1, 2021</i>	12-801(6)
Sec. 4	<i>July 1, 2021</i>	New section
Sec. 5	<i>July 1, 2021</i>	New section

HED

Joint Favorable C/R

APP