



General Assembly

January Session, 2021

Raised Bill No. 932

LCO No. 3701



Referred to Committee on HIGHER EDUCATION AND
EMPLOYMENT ADVANCEMENT

Introduced by:
(HED)

***AN ACT CONCERNING AN ALLIANCE DISTRICT TEACHER LOAN
SUBSIDY PROGRAM.***

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

1 Section 1. (NEW) (*Effective July 1, 2021*) (a) The Connecticut Higher
2 Education Supplemental Loan Authority shall establish, subject to
3 available funding pursuant to section 2 of this act, an Alliance District
4 Teacher Loan Subsidy Program for the purpose of subsidizing interest
5 rates on authority loans, as defined in subdivision (3) of section 10a-223
6 of the general statutes, to teachers who are employed in a district
7 designated as an alliance district pursuant to section 10-262u of the
8 general statutes and who meet the eligibility criteria as established by
9 the authority and the Commissioner of Education. The authority shall
10 maintain a separate, nonlapsing account to hold funds for the Alliance
11 District Teacher Loan Subsidy Program. The account shall contain any
12 moneys required by law to be deposited in the account, including, but
13 not limited to, state appropriations or proceeds from the sale of bonds
14 authorized under section 2 of this act. Moneys in the account shall be
15 expended by the authority for the purposes of the Alliance District

16 Teacher Loan Subsidy Program, including for reasonable and necessary
17 expenses for the administration of such program.

18 (b) The Commissioner of Education shall enter into a memorandum
19 of agreement with the authority to establish the eligibility criteria and
20 administrative guidelines for the Alliance District Teacher Loan Subsidy
21 Program. Such eligibility criteria and guidelines shall include, but need
22 not be limited to, (1) applicant eligibility, (2) interest rate subsidies and
23 principal limits on authority loans subject to the Alliance District
24 Teacher Loan Subsidy Program, (3) the process for verifying the
25 employment of the applicants, and (4) the requirement that an interest
26 rate subsidy through the Alliance District Teacher Loan Subsidy
27 Program shall terminate for any subsidy recipient who ceases to meet
28 the employment requirements of such program during the term of such
29 recipient's loan from the authority.

30 (c) The authority shall establish an account to be known as the
31 Alliance District Teacher Refinance Loan Loss Reserve account, which
32 shall be a separate, nonlapsing account. The account shall contain any
33 moneys required by law to be deposited in the account, including, but
34 not limited to, state appropriations or proceeds from the sale of bonds
35 authorized pursuant to section 2 of this act. Moneys in the account shall
36 be expended by the authority (1) to cover any losses incurred by the
37 authority from issuing authority loans to refinance one or more eligible
38 loans, as defined in section 10a-223 of the general statutes, pursuant to
39 the Alliance District Teacher Loan Subsidy Program for teachers
40 employed in alliance districts, and (2) for reasonable and necessary
41 expenses for the administration of such authority loans.

42 Sec. 2. (NEW) (*Effective July 1, 2021*) (a) For the purposes described in
43 subsection (b) of this section and section 1 of this act, the State Bond
44 Commission shall have the power from time to time to authorize the
45 issuance of bonds of the state in one or more series and in principal
46 amounts not exceeding seven million dollars a year.

47 (b) The proceeds of the sale of such bonds, to the extent of the amount

48 stated in subsection (a) of this section, shall be used by the Connecticut
49 Higher Education Supplemental Loan Authority for the purpose of the
50 Alliance District Teacher Loan Subsidy Program established under
51 section 1 of this act.

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

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2021</i>	New section
Sec. 2	<i>July 1, 2021</i>	New section

Statement of Purpose:

To require the Connecticut Higher Education Supplemental Loan Authority to establish the Alliance District Teacher Loan Subsidy Program to provide low interest student loans to teachers who are employed in alliance districts.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]