



General Assembly

**Substitute Bill No. 932**

January Session, 2021



**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.

10 (b) The authority shall enter into a memorandum of agreement with  
11 the Commissioner of Education to establish the eligibility criteria and  
12 administrative guidelines for the Alliance District Teacher Loan Subsidy  
13 Program. Such eligibility criteria and guidelines shall include, but need  
14 not be limited to, (1) applicant eligibility, (2) interest rate subsidies and  
15 principal limits on authority loans subject to the Alliance District  
16 Teacher Loan Subsidy Program, (3) the process for verifying the  
17 employment of the applicants, and (4) the requirement that an interest  
18 rate subsidy through the Alliance District Teacher Loan Subsidy

19 Program shall terminate for any subsidy recipient who ceases to meet  
20 the employment requirements of such program during the term of such  
21 recipient's loan from the authority.

22 Sec. 2. (NEW) (*Effective July 1, 2021*) The Connecticut Higher  
23 Education Supplemental Loan Authority shall maintain a separate,  
24 nonlapsing account to hold funds for the Alliance District Teacher Loan  
25 Subsidy Program established pursuant to section 1 of this act. The  
26 account shall contain any moneys required by law to be deposited in the  
27 account, including, but not limited to, state appropriations or proceeds  
28 from the sale of bonds authorized under section 3 of this act. Moneys in  
29 the account shall be (1) expended by the authority for the purposes of  
30 the Alliance District Teacher Loan Subsidy Program and for reasonable  
31 and necessary expenses for the administration of such program, and (2)  
32 held as a reserve by the authority to cover any losses incurred by the  
33 authority from issuing authority loans to refinance one or more eligible  
34 loans, as defined in section 10a-223 of the general statutes, for the  
35 purposes of the Alliance District Teacher Loan Subsidy Program.

36 Sec. 3. (NEW) (*Effective July 1, 2021*) (a) For the purposes described in  
37 subsection (b) of this section and section 1 of this act, the State Bond  
38 Commission shall have the power from time to time to authorize the  
39 issuance of bonds of the state in one or more series and in principal  
40 amounts not exceeding seven million dollars a year.

41 (b) The proceeds of the sale of such bonds, to the extent of the amount  
42 stated in subsection (a) of this section, shall be used by the Connecticut  
43 Higher Education Supplemental Loan Authority for the purpose of the  
44 Alliance District Teacher Loan Subsidy Program established under  
45 section 1 of this act.

46 (c) All provisions of section 3-20 of the general statutes, or the exercise  
47 of any right or power granted thereby, that are not inconsistent with the  
48 provisions of this section are hereby adopted and shall apply to all  
49 bonds authorized by the State Bond Commission pursuant to this  
50 section. Temporary notes in anticipation of the money to be derived

51 from the sale of any such bonds so authorized may be issued in  
52 accordance with section 3-20 of the general statutes and from time to  
53 time renewed. Such bonds shall mature at such time or times not  
54 exceeding twenty years from their respective dates as may be provided  
55 in or pursuant to the resolution or resolutions of the State Bond  
56 Commission authorizing such bonds. None of such bonds shall be  
57 authorized except upon a finding by the State Bond Commission that  
58 there has been filed with it a request for such authorization that is signed  
59 by or on behalf of the Secretary of the Office of Policy and Management  
60 and states such terms and conditions as said commission, in its  
61 discretion, may require. Such bonds issued pursuant to this section shall  
62 be general obligations of the state and the full faith and credit of the state  
63 of Connecticut are pledged for the payment of the principal of and  
64 interest on such bonds as the same become due, and accordingly and as  
65 part of the contract of the state with the holders of such bonds,  
66 appropriation of all amounts necessary for punctual payment of such  
67 principal and interest is hereby made, and the State Treasurer shall pay  
68 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
Sec. 3	<i>July 1, 2021</i>	New section

**HED**      *Joint Favorable Subst.*