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## **OLR Bill Analysis**

### **sSB 250**

#### ***AN ACT CONCERNING STUDENT LOAN REIMBURSEMENT FOR CONNECTICUT RESIDENTS WHO GRADUATED FROM A STATE UNIVERSITY.***

#### **SUMMARY**

This bill establishes a student loan reimbursement program for Connecticut residents who have graduated with a bachelor's degree from UConn and the institutions that comprise the Connecticut State University System and who meet other residency, income, age, and volunteer requirements.

Under the program, participants may receive up to \$5,000 annually as a credit against the balance of their loan issued or refinanced by the Connecticut Higher Education Supplemental Loan Authority (CHESLA) for state university attendance. The bill caps program participation at four years and \$20,000 in total CHESLA loan reimbursement payments per borrower.

The bill tasks the Office of Higher Education (OHE) with the program's administration and allows it to use up to 2.5% of FY 23 funds appropriated for the program for administration, promotion, and recruitment activities. Additionally, the bill specifies that any unexpended funds appropriated for the program are nonlapsing and must be available for the following fiscal year.

EFFECTIVE DATE: July 1, 2022

#### **OHE PROGRAM ADMINISTRATION**

The bill requires OHE to receive and approve borrowers' applications for participation in the reimbursement program. Under the bill, applicants must meet the following eligibility requirements in addition to those above:

1. have maintained Connecticut residency for at least five consecutive years after graduation;
2. be 35 years old or younger;
3. earned the majority of their income through employment in Connecticut for two years before program participation, as proven on the applicant's state tax return; and
4. have an adjusted gross income of \$100,000 or less.

Program participants also must volunteer for at least 100 unpaid hours for an approved Connecticut nonprofit organization for every year of program participation. Under the bill, volunteer hours may include nonprofit board or military service.

For individuals who meet these program requirements, the bill requires OHE to pay CHESLA up to \$5,000 annually as a credit against the balance of their CHESLA loan, subject to the program caps described above.

### **COMMITTEE ACTION**

Higher Education and Employment Advancement Committee

Joint Favorable Substitute

Yea 16 Nay 7 (03/17/2022)