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## **OLR Bill Analysis**

### **sSB 8 (File 139, as amended by Senate "A")\***

#### ***AN ACT CONCERNING HIGHER EDUCATION AFFORDABILITY AND GRADUATE RETENTION.***

#### **SUMMARY**

This bill extends eligibility for the state's debt-free community college program to returning students and increases the program's minimum award amounts.

The bill also makes changes to the Roberta B. Willis Scholarship program, including:

1. limiting the program by excluding the regional-community technical colleges, making their students ineligible to receive an award under the program;
2. changing how scholarship funds are used, including requiring the Office of Higher Education (OHE) to use certain federal American Rescue Plan Act (ARPA) allocations before General Fund appropriations; and
3. allowing the program to use a student aid index as an alternative to family contribution when determining student eligibility.

The bill also makes permanent the law exempting qualifying independent colleges and universities from the Office of Higher Education's (OHE's) program approval process for an unlimited number of higher education programs per academic year and requires independent higher education institutions to (1) at least annually update the credentials database with any new, modified, or discontinued programs and (2) file certain information with OHE.

The bill also makes many technical and conforming changes.

\*Senate Amendment “A” (1) strikes the underlying bill’s provisions (a) reallocating ARPA funds from the regional community-technical colleges to the Connecticut State University System, (b) authorizing bonding and requiring the Connecticut Higher Education Supplemental Loan Authority to use proceeds to establish a student loan subsidy program for people employed in certain high-demand professions, and (c) establishing a state income tax deduction for tax payers for student loan interest during the taxable year; (2) reduces the underlying bill’s increase in the minimum grant amount under the debt-free community college program; and (3) adds provisions on (a) Roberta B. Willis Scholarship program regarding appropriation allocation, award distribution, and program eligibility, and (b) independent college and university program approval.

EFFECTIVE DATE: July 1, 2023

## **§ 1 — DEBT-FREE COMMUNITY COLLEGE**

### ***Eligibility Expansion***

Under current law, the state’s debt-free community college program allows eligible Connecticut high school graduates who enroll as first-time community-technical college students to receive awards on a semester basis.

The bill removes requirements that (1) a qualifying student must be a first-time enrollee at a regional community-technical college, which extends program eligibility to returning students, and (2) awards must be applied during a student’s first 48 consecutive months of community college attendance, allowing them to receive the award if they meet all other eligibility requirements. As under existing law, an award is available to a qualifying student for the first 72 credit hours they earn.

The bill also makes conforming changes by eliminating provisions for separate eligibility requirements for qualifying students who take a medical or personal leave of absence or are called to active duty in the armed forces while enrolled in a community college.

### ***Award Increase***

Currently, funds awarded to eligible students under the debt-free community college program (1) cover the unpaid portion of the institutional costs (i.e., tuition and fees minus scholarships; grants; and federal, state, and institutional aid awarded to the student excluding loans) or (2) provide a minimum award of \$250 for a full-time student or \$150 for a part-time student, whichever is greater.

The bill increases the minimum awards, from \$250 to \$500 for a full-time student, and \$150 to \$250 for a part-time student.

## **§§ 2-3 — ROBERTA B. WILLIS SCHOLARSHIP PROGRAM**

### ***Allocation of Funds***

Current law requires the General Assembly to allocate funds to OHE for the Roberta B. Willis Scholarship program. The bill requires OHE, for FY 24, to make awards for the program from any funds allocated to the office from federal ARPA funding until they are exhausted, before making any awards or allocating any funds from General Fund appropriations. The bill also exempts any unused appropriations from automatically lapsing when the fiscal year ends.

Under current law, at least 20% but no more than 30% of available appropriations are allocated to the need and merit-based grant. The bill maintains the 20% minimum but caps the maximum allocation at 30% of available funds or \$10 million, whichever is greater.

### ***Regional-Community Technical Colleges***

The bill excludes the regional-community technical colleges from the scholarship program, which makes students at these institutions ineligible to receive an award under the program. It makes several conforming changes.

### ***Award Distribution and Student Eligibility***

***Need and Merit-Based Grants.*** Under existing law and unchanged by the bill, the need and merit-based grants are available to state residents who are enrolled full- or part-time as an undergraduate student at any Connecticut public or independent college or university.

Current law requires OHE to make the determination of financial need based on the family contribution for educational costs as computed from the student's Free Application for Federal Student Aid (FAFSA). Beginning July 1, 2024, the bill also updates statutory references to "family contribution" in the Roberta B. Willis Scholarship program to "student aid index" to reflect changes in federal law. (The federal *FAFSA Simplification Act* (part of the *Consolidated Appropriations Act of 2021* - P.L. 116-260) phases out the "Expected Family Contribution" and replaces it with "Student Aid Index"). Under the bill, "student aid index" is the index used to determine financial aid eligibility as computed from a student's FAFSA.

Under current law, OHE makes awards on a sliding scale up to a maximum federal family contribution set annually by OHE and based on funding levels and the number of eligible applicants. Under the bill, as an alternative to family contribution, OHE can use student aid index when making need and merit-based awards.

#### **§ 4 — INDEPENDENT COLLEGE AND UNIVERSITY PROGRAM APPROVAL**

Current law exempts qualifying independent colleges and universities from OHE's approval process for an unlimited number of new programs until June 30, 2023, but beginning July 1, 2023, it limits the exemptions to 15 new programs in any academic year.

The bill removes the restrictions that begin FY 23, which makes permanent the law exempting qualifying independent colleges and universities from OHE's program approval process for an unlimited number of higher education programs per academic year.

Under existing law and the bill, institutions qualify for these exemptions if they:

1. are eligible to participate in the Federal Family Education Loan program;
2. have a financial responsibility score of at least 1.5, as determined by the U.S. Department of Education (this score reflects the

overall relative financial health of institutions); and

3. have been located in Connecticut and accredited as a degree-granting institution in good standing for at least 10 years by a federally recognized regional accrediting association.

The bill makes a corresponding change to an annual reporting requirement. Under current law, institutions must file certain information with OHE, including a description of any new programs in excess of the 15. The bill instead requires exempt independent colleges and universities to do the following:

1. by the last day of each semester, but at least annually, update the credentials database with any new higher learning programs that were introduced or any existing higher learning programs that were modified or discontinued during the semester and
2. starting by July 1, 2024, annually file with OHE the institution's (a) current program approval process and all governing board actions concerning approval of any new higher learning program, and (b) financial responsibility composite score.

### ***Currently Exempt Institutions***

In practice, Connecticut College, Trinity College, Wesleyan University, and Yale University are already exempt from OHE's program approval authority. These institutions, classified by OHE as national independents, are longstanding institutions that predate the state's regulation of postsecondary academic programs. Additionally, the institutions' charters give the schools the authority to decide which degrees to confer and do not require state approval for additional degrees.

### **COMMITTEE ACTION**

Higher Education and Employment Advancement Committee

Joint Favorable

Yea 21    Nay 1    (03/07/2023)