



General Assembly

January Session, 2023

Raised Bill No. 1044

LCO No. 4308



Referred to Committee on HIGHER EDUCATION AND
EMPLOYMENT ADVANCEMENT

Introduced by:
(HED)

AN ACT CONCERNING A STUDENT LOAN SUBSIDY PROGRAM.

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

1 Section 1. (NEW) (*Effective July 1, 2023*) (a) The Connecticut Higher
2 Education Supplemental Loan Authority shall establish, subject to
3 available funding pursuant to section 2 of this act, a Student Loan
4 Subsidy Program for the purpose of subsidizing interest rates on
5 authority loans, as defined in subdivision (3) of section 10a-223 of the
6 general statutes, to individuals employed in certain high-demand
7 professions, as specified by the Chief Workforce Officer, and who meet
8 the eligibility criteria established by the authority and the Chief
9 Workforce Officer pursuant to subsection (b) of this section.

10 (b) The authority and the Office of Workforce Strategy shall jointly
11 establish the eligibility criteria and administrative guidelines for the
12 Student Loan Subsidy Program. Such eligibility criteria and guidelines
13 shall include, but need not be limited to, (1) applicant eligibility, (2)
14 interest rate subsidies and principal limits on authority loans subject to
15 the Student Loan Subsidy Program, (3) the process for verifying the

16 employment of the applicants, and (4) the requirement that an interest
17 rate subsidy through the Student Loan Subsidy Program shall terminate
18 for any subsidy recipient who ceases to meet the employment
19 requirements of such program during the term of such recipient's loan
20 from the authority.

21 (c) Not later than September 1, 2023, the Chief Workforce Officer shall
22 identify, and annually update, professions that are in high-demand by
23 employers in the state for the purpose of qualifying individuals
24 employed in such professions for the Student Loan Subsidy Program.

25 Sec. 2. (NEW) (*Effective July 1, 2023*) The Connecticut Higher
26 Education Supplemental Loan Authority shall maintain a separate,
27 nonlapsing account to hold funds for the Student Loan Subsidy
28 Program established pursuant to section 1 of this act. The account shall
29 contain any moneys required by law to be deposited in the account,
30 including, but not limited to, state appropriations or proceeds from the
31 sale of bonds authorized under section 3 of this act. Moneys in the
32 account shall be expended by the authority for the purposes of the
33 Student Loan Subsidy Program and for reasonable and necessary
34 expenses for the administration of such program.

35 Sec. 3. (NEW) (*Effective July 1, 2023*) (a) For the purposes described in
36 subsection (b) of this section and section 1 of this act, the State Bond
37 Commission shall have the power from time to time to authorize the
38 issuance of bonds of the state in one or more series and in principal
39 amounts not exceeding seven million dollars annually.

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

44 (c) All provisions of section 3-20 of the general statutes, or the exercise
45 of any right or power granted thereby, that are not inconsistent with the
46 provisions of this section are hereby adopted and shall apply to all
47 bonds authorized by the State Bond Commission pursuant to this

48 section. Temporary notes in anticipation of the money to be derived
49 from the sale of any such bonds so authorized may be issued in
50 accordance with section 3-20 of the general statutes and from time to
51 time renewed. Such bonds shall mature at such time or times not
52 exceeding twenty years from their respective dates as may be provided
53 in or pursuant to the resolution or resolutions of the State Bond
54 Commission authorizing such bonds. None of such bonds shall be
55 authorized except upon a finding by the State Bond Commission that
56 there has been filed with it a request for such authorization that is signed
57 by or on behalf of the Secretary of the Office of Policy and Management
58 and states such terms and conditions as said commission, in its
59 discretion, may require. Such bonds issued pursuant to this section shall
60 be general obligations of the state and the full faith and credit of the state
61 of Connecticut are pledged for the payment of the principal of and
62 interest on such bonds as the same become due, and accordingly and as
63 part of the contract of the state with the holders of such bonds,
64 appropriation of all amounts necessary for punctual payment of such
65 principal and interest is hereby made, and the State Treasurer shall pay
66 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, 2023</i>	New section
Sec. 2	<i>July 1, 2023</i>	New section
Sec. 3	<i>July 1, 2023</i>	New section

Statement of Purpose:

To require the Connecticut Higher Education Supplemental Loan Authority to establish a Student Loan Subsidy Program to reduce the interest rate on authority loans to individuals employed in certain high-demand professions.

[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.]