

Banking Committee JOINT FAVORABLE REPORT

Bill No.: HB-5343

AN ACT ESTABLISHING A CONNECTICUT PREPAID COLLEGE TUITION

Title: PROGRAM.

Vote Date: 3/12/2024

Vote Action: Joint Favorable Substitute

PH Date: 3/5/2024

File No.:

SPONSORS OF BILL:

Banking Committee

REASONS FOR BILL:

This bill creates a prepaid college tuition program which allows residents to enter an advance payment contract in which equal monthly installments are paid based on a set tuition price. The bill was sponsored because the program could relieve students and their families of the tremendous burden and uncertainty of paying for higher education.

SUBSTITUTE LANGUAGE:

In lieu of the bill originally raised to establish a prepaid college tuition program, the language of the bill will now direct the Treasurer to conduct a study on the feasibility of establishing such a program in the state, to be completed no later than January 1, 2025.

RESPONSE FROM ADMINISTRATION/AGENCY:

Russell, Erick, State Treasurer: Opposes this bill as written stating that while addressing the ever-rising cost of a college education is a laudable goal, such a complex undertaking that presents several unanswered questions should first require a study bill. This is because the bill does not include any provisions regarding what could happen at time of enrollment if the tuition exceeds the contract cost, which is especially concerning due to the Illinois Legislature appropriating \$230 million to protect funds in a similar program from market volatility and ensure their ability to pay tuition and fee benefits in the near term. The bill also fails to address the potential cost to the state regarding the establishment and administration of the program by the Office of the Treasurer which would have to take on responsibilities such as annual actuarial analysis.

NATURE AND SOURCES OF SUPPORT:

N/A

NATURE AND SOURCES OF OPPOSITION:

N/A

Reported by: George Vatis

Date: 03/22/2024