



General Assembly

January Session, 2019

Raised Bill No. 865

LCO No. 4345



Referred to Committee on HIGHER EDUCATION AND
EMPLOYMENT ADVANCEMENT

Introduced by:
(HED)

***AN ACT CONCERNING NO OR LOW INTEREST STUDENT LOANS
FOR CERTAIN STUDENTS.***

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

1 Section 1. (NEW) (*Effective July 1, 2019*) (a) The Connecticut Higher
2 Education Supplemental Loan Authority shall establish a STEM Loan
3 Subsidy Program, subject to available funding, for the purpose of
4 reducing interest rates on authority loans, as defined in section 10a-
5 223, to individuals who (1) are employed in the science, technology,
6 engineering, or math industries, and (2) commit to live in the state for
7 not less than five years. The authority shall maintain a separate,
8 nonlapsing account to hold funds for the STEM Loan Subsidy
9 Program. The account shall contain any moneys required by law to be
10 deposited in the account, including, but not limited to, state
11 appropriations or proceeds from the sale of bonds authorized under
12 section 2 of this act. Moneys in the account shall be expended by the
13 authority for the purposes of the STEM Loan Subsidy Program,
14 including for reasonable and necessary expenses for the administration
15 such program.

16 (b) The Secretary of the Office of Policy and Management may enter
17 into a memorandum of agreement with the authority to establish the
18 administrative guidelines for the STEM Loan Subsidy Program,
19 including, but not limited to, (1) applicant eligibility, (2) positions in
20 the science, technology, engineering or math industries that qualify for
21 the STEM Loan Subsidy Program, (3) reduced interest rate and
22 principal limits on authority loans subject to the STEM Loan Subsidy
23 program, and (4) the process for verifying the residency and
24 employment of the applicants.

25 Sec. 2. (NEW) (*Effective July 1, 2019*) (a) For the purposes described
26 in subsection (b) of this section and section 1 of this act, the State Bond
27 Commission shall have the power from time to time to authorize the
28 issuance of bonds of the state in one or more series and in principal
29 amounts not exceeding in the aggregate fifteen million dollars.

30 (b) The proceeds of the sale of such bonds, to the extent of the
31 amount stated in subsection (a) of this section, shall be used by the
32 Office of Policy and Management for the purpose of the STEM Loan
33 Subsidy Program established under section 1 of this act.

34 (c) All provisions of section 3-20 of the general statutes, or the
35 exercise of any right or power granted thereby, that are not
36 inconsistent with the provisions of this section are hereby adopted and
37 shall apply to all bonds authorized by the State Bond Commission
38 pursuant to this section. Temporary notes in anticipation of the money
39 to be derived from the sale of any such bonds so authorized may be
40 issued in accordance with section 3-20 of the general statutes and from
41 time to time renewed. Such bonds shall mature at such time or times
42 not exceeding twenty years from their respective dates as may be
43 provided in or pursuant to the resolution or resolutions of the State
44 Bond Commission authorizing such bonds. None of such bonds shall
45 be authorized except upon a finding by the State Bond Commission
46 that there has been filed with it a request for such authorization that is
47 signed by or on behalf of the Secretary of the Office of Policy and
48 Management and states such terms and conditions as said commission,

49 in its discretion, may require. Such bonds issued pursuant to this
50 section shall be general obligations of the state and the full faith and
51 credit of the state of Connecticut are pledged for the payment of the
52 principal of and interest on such bonds as the same become due, and
53 accordingly and as part of the contract of the state with the holders of
54 such bonds, appropriation of all amounts necessary for punctual
55 payment of such principal and interest is hereby made, and the State
56 Treasurer shall pay such principal and interest as the same become
57 due.

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| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | <i>July 1, 2019</i> | New section |
| Sec. 2 | <i>July 1, 2019</i> | New section |

Statement of Purpose:

To establish the STEM Loan Subsidy Program to provide persons employed in science, technology, engineering or math fields with no or low interest student loans.

[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.]