



House of Representatives

General Assembly

File No. 911

January Session, 2025

Substitute House Bill No. 6074

House of Representatives, May 14, 2025

The Committee on Appropriations reported through REP. WALKER of the 93rd Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING THE STUDENT LOAN REIMBURSEMENT PROGRAM.

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

1 Section 1. Section 10a-19m of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2025*):

3 (a) On or before January 1, 2025, the Commissioner of Higher
4 Education shall establish, within available appropriations, a program to
5 reimburse certain persons for student loan payments. The Office of
6 Higher Education may approve the participation of any person in the
7 student loan reimbursement program who (1) (A) attended a public or
8 independent institution of higher education in the state and graduated
9 with an associate or a bachelor's degree, (B) holds an occupational or
10 professional license or certification issued pursuant to title 20, [or] (C) is
11 granted a hardship waiver by the commissioner, pursuant to a waiver
12 application submitted by such person in the form and manner
13 prescribed by the commissioner, or (D) was enrolled in the practical
14 nurse education program at Stone Academy during the period

15 commencing November 1, 2021, and ending February 28, 2023, whether
16 or not such person completed such program; (2) is a resident of the state,
17 as defined in section 12-701, and has been a resident of the state for not
18 less than five years, as determined by the commissioner; (3) has (A) a
19 Connecticut adjusted gross income of not more than one hundred
20 twenty-five thousand dollars and files a return under the federal income
21 tax as an unmarried individual or a married individual filing separately,
22 or (B) a Connecticut adjusted gross income of not more than one
23 hundred seventy-five thousand dollars and files a return under the
24 federal income tax as a head of household, a married individual filing
25 jointly or a surviving spouse, as defined in Section 2(a) of the Internal
26 Revenue Code of 1986, or any subsequent corresponding internal
27 revenue code of the United States, as amended from time to time; and
28 (4) has a student loan.

29 (b) Persons who qualify under subsection (a) of this section may
30 apply to the Office of Higher Education to participate in the student loan
31 reimbursement program at such time and in such manner as the
32 commissioner of said office prescribes. [Not later than January 1, 2025,
33 the] The commissioner shall post on said office's Internet web site the
34 (1) qualifications for a hardship waiver described in subparagraph (C)
35 of subdivision (1) of said subsection, and (2) forms required to apply for
36 the student loan reimbursement program and a hardship waiver. The
37 application for the student loan reimbursement program shall include,
38 but not be limited to, an option for a person to disclose such person's
39 demographic information.

40 (c) (1) The Commissioner of Higher Education shall award grants to
41 persons approved to participate in the student loan reimbursement
42 program on a first-come, first-served basis, provided such person meets
43 the requirements of this subsection.

44 (2) (A) Each participant in the program shall volunteer for (i) a
45 nonprofit organization that is [registered with the Department of
46 Consumer Protection or] exempt from taxation pursuant to Section
47 501(c)(3) of the Internal Revenue Code of 1986, or any subsequent

48 corresponding internal revenue code of the United States, as amended
49 from time to time, (ii) a municipal government in the state, or (iii) the
50 armed forces of the United States for not less than fifty unpaid hours for
51 each year of participation in the student loan reimbursement program.
52 For purposes of this section, "volunteer hours" shall include, but need
53 not be limited to, (I) service on the board of directors [for] of a nonprofit
54 organization, [and] (II) military service, (III) volunteering for a religious
55 organization or as a firefighter or emergency medical services
56 personnel, as defined in section 19a-175, or (IV) hours of unpaid work
57 completed as a student for any certificate or degree program that
58 requires the completion of such hours as a part of such program,
59 provided such unpaid student work hours shall be applicable for two
60 years after completing such hours or for the first two years of
61 participation in the program, whichever is later. A participant may
62 combine the volunteer hours for one or more organizations to fulfill the
63 requirement of this subdivision.

64 (B) Not later than January 1, 2026, the Office of Higher Education
65 shall establish and post on its Internet web site qualifications for a
66 hardship waiver to exempt participants from the volunteer hours
67 requirement of subparagraph (A) of this subdivision and the forms
68 required to apply for such hardship waiver. The Commissioner of
69 Higher Education shall grant a hardship waiver for volunteer hours (i)
70 for each qualified participant, as determined by the commissioner, who
71 applies for such hardship waiver, and (ii) automatically for each
72 participant who was approved for the program pursuant to
73 subparagraph (D) of subdivision (1) of subsection (a) of this section.

74 (3) Each participant in the program shall annually submit to the
75 Office of Higher Education, in the manner prescribed by the
76 commissioner, [a] (A) a statement from a student loan servicer that
77 includes the amounts for the outstanding loan balance for such student
78 loan and the total of the year-to-date payments made on such student
79 loan, [and] (B) a form documenting the number of volunteer hours
80 completed by such participant that is (i) signed by such participant's
81 supervisor or other employee of the nonprofit organization or

82 municipal government for which such participant volunteered, [or, for
83 military service, such participant's commanding officer,] and (ii)
84 notarized, provided a participant may submit other documentation, as
85 prescribed by the office, to show completion of military service or
86 unpaid student work hours, and (C) for volunteer hours at a nonprofit
87 organization, evidence of current certification from the Internal
88 Revenue Service that such nonprofit organization is exempt from
89 taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of
90 1986, or any subsequent corresponding internal revenue code of the
91 United States, as amended from time to time.

92 (4) The Office of Higher Education shall reimburse each program
93 participant who meets the requirements of this section for student loan
94 payments in an amount of not more than five thousand dollars,
95 annually, provided no person shall participate in the student loan
96 reimbursement program for more than four years or receive more than
97 twenty thousand dollars in aggregate reimbursement for student loan
98 payments.

99 (d) The Office of Higher Education may use up to two and one-half
100 per cent of the funds appropriated for purposes of this section, annually,
101 for program administration, promotion and recruitment activities.

102 (e) Not later than July 1, 2026, and each January and July thereafter,
103 the Commissioner of Higher Education shall report, in accordance with
104 the provisions of section 11-4a, to the joint standing committees of the
105 General Assembly having cognizance of matters relating to higher
106 education and employment advancement and appropriations and the
107 budgets of state agencies on the operation and effectiveness of the
108 program and any recommendations to expand the program.

109 Sec. 2. (*Effective from passage*) The amount appropriated to the Office
110 of Higher Education for the student loan reimbursement program,
111 established pursuant to section 10a-19m of the general statutes, as
112 amended by this act, shall not lapse on June 30, 2025, and such funds
113 shall be carried forward and made available during the fiscal year
114 ending June 30, 2026, for the same purpose.

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| This act shall take effect as follows and shall amend the following sections: | | |
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|-----------|---------------------|-------------|
| Section 1 | <i>July 1, 2025</i> | 10a-19m |
| Sec. 2 | <i>from passage</i> | New section |

APP *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

| Agency Affected | Fund-Effect | FY 26 \$ | FY 27 \$ |
|------------------|-------------|-----------|-----------|
| Higher Ed., Off. | GF - Cost | See Below | See Below |

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill results in a potential, significant cost to the Office of Higher Education (OHE) annually beginning in FY 26. It expands the CT Loan Forgiveness program to include any eligible state resident who was enrolled in Stone Academy's practical nursing program during the 16 months preceding the academy's closure.

The bill's cost is dependent on the number of eligible former Stone Academy students who meet all program requirements, and their magnitude of annual student loan payments. The number of former Stone Academy students eligible under the bill is unknown but likely exceeds 1,000. Approximately 800 students were actively enrolled at Stone Academy at the time that it closed.

The amount of annual student loan payments made by these former students is unknown. The average award amount as of February 27 was \$1,627 (the maximum is \$5,000 for four years). At the average award amount, if each former student received an award, the cost would be \$1.3 million annually for four years (for a total of \$5.2 million). At the maximum award, the cost would be \$4 million annually for four years

(for a total of \$16 million).¹ The timing of this cost would vary based on when former students applied for and received the reimbursement award.

The CT Loan Forgiveness program is administered on a first-come, first-serve basis. This means that the above identified cost would only be incurred if sufficient funding was available.

The bill also carries forward the unexpended portion of FY 25 CT Loan Forgiveness funding into FY 26. To the extent that any portion of FY 25 funding is unspent, there is an increase in funding available in FY 26.

Lastly, the bill also expands the types of volunteer activities that fulfill the program's requirements and requires OHE to create a hardship waiver for recipients to bypass the volunteer requirement. To the extent that these provisions increase the number of people eligible for the program, there is an increase in the cost to provide grants.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of participants in the CT Loan Forgiveness program and the grant awards they receive.

¹ This does not include students who may have attended Stone Academy's practical nursing program and left before it closed without earning a degree.

OLR Bill Analysis**sHB 6074*****AN ACT CONCERNING THE STUDENT LOAN REIMBURSEMENT PROGRAM.*****SUMMARY**

This bill makes various changes to the Office of Higher Education's (OHE) student loan reimbursement program, including:

1. expanding eligibility to former Stone Academy students;
2. changing the volunteer hour requirement by adding new ways to earn volunteer hours, requiring OHE to develop a volunteer hour hardship waiver, and adding new provisions on service documentation; and
3. carrying over the program's funding to be made available in FY 26.

The bill also makes technical and grammatical changes.

The student loan reimbursement program was created in 2023 and launched in January of 2025. Eligible participants are reimbursed for up to \$5,000 of their student loan payments per year (for up to four years).

EFFECTIVE DATE: July 1, 2025, except the provision carrying over the program's funding is effective from passage.

ELIGIBILITY EXPANSION

The bill extends student loan reimbursement eligibility to include individuals who were enrolled in Stone Academy's practical nurse education program between November 1, 2021, and February 28, 2023. (Stone Academy closed suddenly in early 2023. At the time of the school's closure, there were students midway through their practical

nurse education program.)

In current law, there is a general requirement that to qualify for student loan reimbursement, participants must have earned an associate or bachelor's degree from a Connecticut institution of higher education (or meet a licensure or hardship requirement). The bill allows these former Stone Academy students to qualify for reimbursement regardless of whether they graduated with a degree from the program.

By law, all participants are required to meet two additional criteria to qualify for student loan reimbursement: (1) Connecticut residency for at least five years, and (2) an income below a set threshold.

VOLUNTEER HOURS REQUIREMENT

Eligible Volunteer Work

Under current law, participants in the student loan reimbursement program must have at least 50 volunteer hours (generally for a nonprofit organization or municipal government) for each year they participate. The bill makes various changes to the scope of eligible volunteer work, including:

1. expanding the eligible nonprofit organizations the participants can volunteer for to all tax-exempt nonprofits and not just those registered with the Department of Consumer Protection;
2. specifically adding the U.S. armed forces as an eligible entity to volunteer for (existing law already includes military service as an eligible type of volunteer work);
3. specifying that volunteering as a firefighter, emergency medical personnel, or for a religious organization are eligible ways to meet the service requirement;
4. adding unpaid work that was required to complete any certificate or degree program to count as eligible volunteer hours (these work hours are only eligible for two years after completion or for the first two years of program participation, whichever is

later); and

5. specifying that a participant can combine hours from more than one eligible organization to meet the volunteer service requirement.

Hardship Waiver

The bill also requires OHE to establish a waiver to exempt program participants from the volunteer hour requirement. OHE must post the eligibility requirements and application forms for the waiver by January 1, 2026. Under the bill, individuals who were enrolled in the practical nurse education program at Stone Academy between November 1, 2021, and February 28, 2023, automatically qualify for the waiver.

Service Documentation

By law, participants must annually submit a form to OHE with the number of volunteer hours completed. This form must be signed by a supervisor or other employee of the eligible entity the participant volunteered for.

The bill specifies that for documenting military service or unpaid student work volunteer hours, OHE can accept other documentation outside what is required by existing law. The bill also removes the requirement that for military service, the form be signed by the participant's commanding officer.

Additionally, for documenting volunteer hours at nonprofit organizations, the bill requires the participant to submit evidence of current nonprofit certification from the Internal Revenue Service.

APPROPRIATED FUNDING TO OHE

The bill carries forward the FY 25 funding appropriated to OHE for the student loan reimbursement program, making the funds available for the same purpose in FY 26.

BACKGROUND***Legislative History***

The House referred the bill (File 391) to the Appropriations Committee, which reported a substitute that adds a provision carrying over the student loan reimbursement program's appropriated funding to OHE to be made available in FY 26.

COMMITTEE ACTION

Higher Education and Employment Advancement Committee

Joint Favorable Substitute

Yea 16 Nay 2 (03/13/2025)

Appropriations Committee

Joint Favorable Substitute

Yea 38 Nay 12 (05/05/2025)