



Senate

General Assembly

File No. 164

January Session, 2025

Substitute Senate Bill No. 5

Senate, March 20, 2025

The Committee on Higher Education and Employment Advancement reported through SEN. SLAP of the 5th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING HIGHER EDUCATION AFFORDABILITY AND ACCOUNTABILITY.

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

1 Section 1. Section 10a-173 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2025*):

3 (a) For the purposes of this section:

4 [(1) "Family contribution" means the expected family contribution for
5 educational costs as computed from a student's Free Application for
6 Federal Student Aid;]

7 [(2)] (1) "Student aid index" means the index used to determine
8 eligibility for financial aid as computed from a student's Free
9 Application for Federal Student Aid;

10 [(3)] (2) "Eligible student" means a student who is (A) a resident of
11 the state, (B) enrolled at an institution of higher education in a course of

12 study leading to such student's first associate or bachelor's degree, and
13 (C) carrying, for a full-time student, twelve or more semester credit
14 hours, or, for a part-time student, between six and eleven semester
15 credit hours at such institution of higher education;

16 [(4)] (3) "Independent institution of higher education" means a
17 nonprofit institution established in this state (A) that has degree-
18 granting authority in this state; (B) that has its main campus located in
19 this state; (C) that is not included in the Connecticut system of public
20 higher education; and (D) whose primary function is not the preparation
21 of students for religious vocation;

22 [(5)] (4) "Public institution of higher education" means the constituent
23 units of the state system of higher education identified in subdivisions
24 (1) and (2) of section 10a-1, except the regional community-technical
25 colleges; and

26 [(6)] (5) "Eligible educational costs" means the tuition and required
27 fees for an individual student that are published by each public or
28 independent institution of higher education participating in the grant
29 program established under this section, plus a fixed amount for
30 required books and educational supplies as determined by the Office of
31 Higher Education.

32 (b) The Office of Higher Education shall establish the Roberta B.
33 Willis Scholarship program to annually make need-based financial aid
34 available for eligible educational costs to eligible students enrolled at
35 Connecticut's public and independent institutions of higher education.
36 Within available funds, the Roberta B. Willis Scholarship program shall
37 include a need and merit-based grant, a need-based grant and a Charter
38 Oak grant. The need and merit-based grant shall be funded at not less
39 than twenty per cent but not more than thirty per cent of available funds
40 or ten million dollars, whichever is greater. The need-based grant shall
41 be funded at up to eighty per cent of available funds. The Charter Oak
42 grant shall be not less than one hundred thousand dollars of available
43 funds. There shall be an administrative allowance based on one-quarter
44 of one per cent of the available funds, but not less than one hundred

45 thousand dollars annually. The Office of Higher Education shall
46 disburse the funds appropriated or allocated for the Roberta B. Willis
47 Scholarship program for the fiscal years ending June 30, 2024, and June
48 30, 2025, to make awards pursuant to subsection (c) of this section and
49 allocate funds pursuant to subsections (d) and (f) of this section in
50 accordance with a plan developed by the office, provided the office shall
51 (1) disburse all funds allocated for the Roberta B. Willis Scholarship
52 program from the federal funds designated for the state pursuant to the
53 provisions of Section 602 of Subtitle M of Title IX of the American Rescue
54 Plan Act of 2021, P.L. 117-2, as amended from time to time, on or before
55 December 31, 2024, and (2) in accordance with subsection (f) of section
56 4-89, reserve an amount of not more than fifteen million dollars from the
57 amount appropriated for the Roberta B. Willis Scholarship program for
58 the fiscal year ending June 30, 2025, for disbursement during the fiscal
59 year ending June 30, 2026.

60 (c) The Roberta B. Willis Scholarship need and merit-based grant
61 shall be available to any eligible student at any public or independent
62 institution of higher education. The Office of Higher Education shall
63 determine qualification for financial need based on [family contribution
64 prior to July 1, 2024, and, on and after July 1, 2024, based on] the student
65 aid index and qualification for merit based on either previous high
66 school academic achievement or performance on standardized
67 academic aptitude tests. The Office of Higher Education shall make
68 awards according to a sliding scale, annually determined by said office,
69 up to a maximum [family contribution or] student aid index and based
70 on available funds and the number of eligible students who qualify for
71 an award. The Roberta B. Willis Scholarship need and merit-based grant
72 shall be awarded in a higher amount than the need-based grant
73 awarded pursuant to subsection (d) of this section. [, except for the
74 academic year commencing July 1, 2024.] Recipients of the need and
75 merit-based grant shall not be eligible to receive an additional need-
76 based award. The order of institutions of higher education provided by
77 an eligible student on such student's Free Application for Federal
78 Student Aid shall not affect the student's qualification for an award
79 under this subsection. The institution of higher education in which an

80 eligible student enrolls shall disburse sums awarded under the need and
81 merit-based grant for payment of such student's eligible educational
82 costs.

83 (d) The Roberta B. Willis Scholarship need-based grant shall be
84 available to any eligible student at any public or independent institution
85 of higher education. The amount of the annual funds to be allocated to
86 each institution of higher education shall be determined by its actual
87 full-time equivalent enrollment of eligible students with a [family
88 contribution or] student aid index during the fall semester of the fiscal
89 year two years prior to the grant year of an amount not greater than two
90 hundred per cent of the maximum [family contribution or] student aid
91 index eligible for a federal Pell grant award for the academic year one
92 year prior to the grant year. Not later than July first, annually, each
93 institution of higher education shall report such enrollment data to the
94 Office of Higher Education. Not later than October first, annually, the
95 Office of Higher Education shall (1) publish such enrollment data on its
96 Internet web site, (2) notify each institution of higher education of the
97 proportion of the annual funds that such institution of higher education
98 will receive the following fiscal year, and (3) publish the proportions for
99 each institution of higher education on its Internet web site. Not later
100 than November first, annually, the Office of Higher Education shall
101 notify each institution of higher education of the amount of funds
102 allocated to such institution for awards to eligible students during the
103 following fiscal year. Participating institutions of higher education shall
104 make awards (A) to eligible full-time students in an amount [up] equal
105 to four thousand five hundred dollars, and (B) to eligible part-time
106 students in an amount that is prorated according to the number of
107 credits each student will earn for completing the course or courses in
108 which such student is enrolled, such that a student enrolled in a course
109 or courses earning (i) at least nine but less than twelve credits is eligible
110 for up to seventy-five per cent of the [maximum] award amount for a
111 full-time student, and (ii) at least six but less than nine credits is eligible
112 for up to fifty per cent of the [maximum] award amount for a full-time
113 student. Each participating institution of higher education shall expend
114 all of the moneys received under the Roberta B. Willis Scholarship

115 program as direct financial assistance only for eligible educational costs.

116 (e) Participating institutions of higher education shall annually
117 provide the Office of Higher Education with data and reports on all
118 eligible students who applied for financial aid, including, but not
119 limited to, students receiving a Roberta B. Willis Scholarship grant, in a
120 form and at a time determined by said office. If an institution of higher
121 education fails to submit information to the Office of Higher Education
122 as directed, such institution shall be prohibited from participating in the
123 scholarship program in the fiscal year following the fiscal year in which
124 such institution failed to submit such information. Each participating
125 institution of higher education shall maintain, for a period of not less
126 than three years, records substantiating the reported number of eligible
127 students and documentation utilized by the institution of higher
128 education in determining qualification of the student grant recipients.
129 Such records shall be subject to audit or review. [For the academic year
130 commencing July 1, 2024, the Office of Higher Education shall (1) not
131 require participating institutions of higher education to reduce the
132 amount of a need-based grant awarded to an eligible student based on
133 the initial qualifications determined from such student's Free
134 Application for Federal Student Aid, even if the United States
135 Department of Education subsequently revises such qualifications, and
136 (2) deem a participating institution of higher education to be in
137 compliance with this section if such initial qualifications qualified an
138 eligible student for the need-based grant that such student was
139 awarded.] Funds not obligated by an institution of higher education
140 shall be returned by [May] April first in the fiscal year the grant was
141 [made] to be awarded to an eligible student to the Office of Higher
142 Education for reallocation for the next fiscal year. Financial aid provided
143 to eligible students under this program shall be designated as a grant
144 from the Roberta B. Willis Scholarship program.

145 (f) The Roberta B. Willis Scholarship Charter Oak grant shall be
146 available to any eligible student enrolled in Charter Oak State College.
147 The Office of Higher Education shall allocate any funds to Charter Oak
148 State College to be used to provide grants for eligible educational costs

149 to eligible students who demonstrate substantial financial need and
150 who are matriculated in a degree program at Charter Oak State College.
151 Individual awards shall not exceed a student's calculated eligible
152 educational costs. Financial aid provided to eligible students under this
153 program shall be designated as a grant from the Roberta B. Willis
154 Scholarship program.

155 (g) In administering the Roberta B. Willis Scholarship program, the
156 Office of Higher Education shall develop and utilize fiscal procedures
157 designed to ensure accountability of the public funds expended. Such
158 procedures shall include provisions for compliance reviews that shall be
159 conducted by the Office of Higher Education on any institution of
160 higher education that participates in the program. Commencing with
161 the fiscal year ending June 30, 2015, and biennially thereafter, each such
162 institution of higher education shall submit the results of an audit done
163 by an independent certified public accountant for each year of
164 participation in the program. Any institution of higher education
165 determined by the Office of Higher Education not to be in substantial
166 compliance with the provisions of the Roberta B. Willis Scholarship
167 program shall be ineligible to receive funds under the program for the
168 fiscal year following the fiscal year in which the institution of higher
169 education was determined not to be in substantial compliance. Funding
170 shall be restored when the Office of Higher Education determines that
171 the institution of higher education has returned to substantial
172 compliance.

This act shall take effect as follows and shall amend the following sections:		
---	--	--

Section 1	July 1, 2025	10a-173
-----------	--------------	---------

HED *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	Potential Significant	Potential Significant

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill results in potentially significant costs annually beginning in FY 26 to the Office of Higher Education. The bill establishes a uniform grant amount of \$4,500 for full-time recipients of the Willis Scholarship need-based grant (with proportionately lower amounts for part-time recipients).

The bill requires OHE to make need-based payments to eligible students at the uniform amounts but does not specify that such payments must be made to all eligible students. The analysis below assumes that this is what would occur. If the bill is interpreted otherwise, the cost will be significantly lower.

The bill's annual estimated cost may include the following:¹

- **Grants for all eligible need-based students:** In FY 24, 16,279 students were eligible for a need-based award but did not

¹ All estimates are based on FY 24 figures, as that is the most recent year for which comprehensive data about recipients and eligibility is available. Figures will fluctuate based on the number of students who are eligible, and the number who apply, each year.

receive one.² The cost of providing awards to these students, at the levels set by the bill, is estimated to be \$66.4 million annually.³

- **Increased need-based award amounts:** In FY 24, 11,452 students received need-based awards, at average award amounts of \$3,209 for full-time students and \$1,621 for part-time students. The cost of increasing awards to these students to the bill's levels is estimated to be \$13.4 million annually.
- **Maintaining baseline funding at current levels:** In FY 24, due to the availability of ARPA funding, total spending on the Willis Scholarship (both need-based and need-merit) was \$41.5 million. The General Fund appropriation was \$24.9 million. The cost of funding Willis Scholarship at FY 24 levels, over the FY 25 General Fund appropriation, is \$16.5 million.
- **Funding for need-merit awards:** The bill does not change the formula for Willis Scholarship need-merit grants, but it may result in additional costs for these grants. Current law requires OHE to provide for need-merit grants the greater of: (1) 20% to 30% of total Willis Scholarship funding; or (2) \$10 million. To comply with this provision, if Willis Scholarship need-based funding was increased as described above, need-merit funding would also need to be increased by approximately \$18 million.

CGS Sec. 10a-173(b) allows OHE to carryforward up to \$15 million of the FY 25 Willis appropriation to FY 26. To the extent that this funding is available in FY 26, it reduces the amount needed to fund the bill's

² The U.S. Department of Education is transitioning from Expected Family Contribution to Student Aid Index as a measure of student need on the Free Application for Federal Student Aid (FAFSA). OHE uses FAFSA to determine eligibility for Willis Scholarships. It is not known how this transition will impact the population of students eligible.

³ Presumably, some of these students could receive a need-merit award, instead of a need-based award. This analysis assumes that all such students would receive need-based grants.

provisions in FY 26 only.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation and to the number of Willis Scholarship need-based grants awarded.

OLR Bill Analysis**sSB 5*****AN ACT CONCERNING HIGHER EDUCATION AFFORDABILITY AND ACCOUNTABILITY.*****SUMMARY**

This bill increases the Roberta B. Willis Scholarship need-based award amount to the maximum of the range currently permitted for the award (\$4,500).

By law, the Office of Higher Education (OHE) allocates funds to institutions, which then give students these need-based awards. The bill requires OHE to notify each higher education institution annually by November 1 of the amount of funds allocated to the institution for these awards in the following fiscal year. It also changes, from May 1 to April 1, the date by which institutions must return to OHE unused scholarship funds and specifies that OHE's required reallocation of these funds is for the next fiscal year.

Lastly, the bill deletes obsolete language and makes other technical changes, including removing the definition of and references to family contribution when calculating the allocation of funds to institutions for the need-based award, which reflects recent changes to the Free Application for Federal Student Aid.

EFFECTIVE DATE: July 1, 2025

BACKGROUND***Roberta B. Willis Scholarship Program***

The Roberta B. Willis Scholarship Program is administered by OHE and offers three types of awards to state residents who attend an in-state public or private higher education institution (excluding the community colleges): need-based, need-merit, and Charter Oak awards.

COMMITTEE ACTION

Higher Education and Employment Advancement Committee

Joint Favorable Substitute

Yea 18 Nay 0 (02/27/2025)