

General Assembly

Substitute Bill No. 6074

January Session, 2025

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AN ACT CONCERNING THE STUDENT LOAN REIMBURSEMENT PROGRAM.

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

- Section 1. Section 10a-19m of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):
 - (a) On or before January 1, 2025, the Commissioner of Higher Education shall establish, within available appropriations, a program to reimburse certain persons for student loan payments. The Office of Higher Education may approve the participation of any person in the student loan reimbursement program who (1) (A) attended a public or independent institution of higher education in the state and graduated with an associate or a bachelor's degree, (B) holds an occupational or professional license or certification issued pursuant to title 20, [or] (C) is granted a hardship waiver by the commissioner, pursuant to a waiver application submitted by such person in the form and manner prescribed by the commissioner, or (D) was enrolled in the practical nurse education program at Stone Academy during the period commencing November 1, 2021, and ending February 28, 2023, whether or not such person completed such program; (2) is a resident of the state, as defined in section 12-701, and has been a resident of the state for not less than five years, as determined by the commissioner; (3) has (A) a Connecticut adjusted gross income of not more than one hundred

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

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(2) (A) Each participant in the program shall volunteer for (i) a nonprofit organization that is [registered with the Department of Consumer Protection or] exempt from taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as amended from time to time, (ii) a municipal government in the state, or (iii) the armed forces of the United States for not less than fifty unpaid hours for each year of participation in the student loan reimbursement program. For purposes of this section, "volunteer hours" shall include, but need

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not be limited to, (I) service on the board of directors [for] of a nonprofit organization, [and] (II) military service, (III) volunteering for a religious organization or as a firefighter or emergency medical services personnel, as defined in section 19a-175, or (IV) hours of unpaid work completed as a student for any certificate or degree program that requires the completion of such hours as a part of such program, provided such unpaid student work hours shall be applicable for two years after completing such hours or for the first two years of participation in the program, whichever is later. A participant may combine the volunteer hours for one or more organizations to fulfill the requirement of this subdivision.

- (B) Not later than January 1, 2026, the Office of Higher Education shall establish and post on its Internet web site qualifications for a hardship waiver to exempt participants from the volunteer hours requirement of subparagraph (A) of this subdivision and the forms required to apply for such hardship waiver. The Commissioner of Higher Education shall grant a hardship waiver for volunteer hours (i) for each qualified participant, as determined by the commissioner, who applies for such hardship waiver, and (ii) automatically for each participant who was approved for the program pursuant to subparagraph (D) of subdivision (1) of subsection (a) of this section.
- (3) Each participant in the program shall annually submit to the Office of Higher Education, in the manner prescribed by the commissioner, [a] (A) <u>a</u> statement from a student loan servicer that includes the amounts for the outstanding loan balance for such student loan and the total of the year-to-date payments made on such student loan, [and] (B) <u>a</u> form documenting the number of volunteer hours completed by such participant that is (i) signed by such participant's supervisor or other employee of the nonprofit organization or municipal government for which such participant volunteered, [or, for military service, such participant's commanding officer,] and (ii) notarized, provided a participant may submit other documentation, as prescribed by the office, to show completion of military service or unpaid student work hours, and (C) for volunteer hours at a nonprofit

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- 87 organization, evidence of current certification from the Internal
- 88 Revenue Service that such nonprofit organization is exempt from
- 89 <u>taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of</u>
- 90 1986, or any subsequent corresponding internal revenue code of the
- 91 United States, as amended from time to time.

- (4) The Office of Higher Education shall reimburse each program participant who meets the requirements of this section for student loan payments <u>in</u> an amount of not more than five thousand dollars, annually, provided no person shall participate in the student loan reimbursement program for more than four years or receive more than twenty thousand dollars in aggregate reimbursement for student loan payments.
- (d) The Office of Higher Education may use up to two and one-half per cent of the funds appropriated for purposes of this section, annually, for program administration, promotion and recruitment activities.
- (e) Not later than July 1, 2026, and each January and July thereafter, the Commissioner of Higher Education shall report, in accordance with the provisions of section 11-4a, to the joint standing committees of the General Assembly having cognizance of matters relating to higher education and employment advancement and appropriations and the budgets of state agencies on the operation and effectiveness of the program and any recommendations to expand the program.
- Sec. 2. (*Effective from passage*) The amount appropriated to the Office of Higher Education for the student loan reimbursement program, established pursuant to section 10a-19m of the general statutes, as amended by this act, shall not lapse on June 30, 2025, and such funds shall be carried forward and made available during the fiscal year ending June 30, 2026, for the same purpose.

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

Section 1 July 1, 2025 10a-19m

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APP Joint Favorable Subst.

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