
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)