



General Bonding Subcommittee

March 24, 2026

SB 85 An Act Authorizing and Adjusting Bonds of the State and Establishing a Supplemental Graduate Student Loan Program

The Connecticut Higher Education Supplemental Loan Authority (CHESLA) **supports SB 85 with minor technical amendments.**

For more than four decades, CHESLA has helped Connecticut students and families access cost-effective education financing, and now also provide scholarship opportunities and financial literacy resources. CHESLA's mission is grounded in expanding access to post-secondary education and supporting the long-term economic vitality and workforce competitiveness of our state.

Graduate and professional students in Connecticut are facing an uncertain financing landscape as federal options change, potentially driving a shift toward higher-cost private loans. A state-level, lower-cost alternative is both timely and necessary to sustain access to advanced credentials that fuel our workforce and economy.

SB 85 authorizes up to \$10,000,000 in state general obligation bonds to support the Supplemental Graduate Student Loan Program to be administered by the Connecticut Higher Education Supplemental Loan Authority.

CHESLA will utilize the funding to stand up the Supplemental Graduate Student Loan Program envisioned in SB 85, leveraging its existing lending, servicing, and compliance infrastructure to deliver low, fixed-rate loans with transparent terms and sound underwriting.

CHESLA respectfully requests that Sections 9 and 23 be amended to be effective upon passage. This adjustment will allow CHESLA to move forward with systems configuration, servicing and compliance set-up, vendor onboarding, and institutional and borrower outreach in time for the upcoming graduate enrollment cycle. An "upon passage" effective date helps ensure that Connecticut graduate students have timely access to the lower-cost, fixed-rate financing contemplated by SB 85, avoiding unnecessary delays that could otherwise push first availability beyond this enrollment window.

This approach supports students' near-term enrollment decisions without creating new administrative structures and enables rapid deployment with appropriate fiscal oversight.

The resulting program will offer:

- **Affordability & Predictability:** Offers a lower-cost alternative to private loans, helping graduate students avoid higher interest rates and manage debt responsibly.
- **Workforce Development & Economic Strength:** Preserves access to advanced degrees in fields vital to Connecticut's healthcare, education, research, and public-service ecosystems.
- **Efficient Implementation:** Uses CHESLA's established platform to minimize overhead and maximize impact per dollar of state authorization.

The bonding provisions contained in SB 85 will equip CHESLA to deliver a state-level graduate loan program that is practical, fiscally responsible, and urgently needed. We respectfully urge the Committee's passage.

Thank you for your time and attention.