



House of Representatives

General Assembly

File No. 264

January Session, 2023

Substitute House Bill No. 5441

House of Representatives, March 28, 2023

The Committee on Higher Education and Employment Advancement reported through REP. HADDAD of the 54th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING CLINICAL PLACEMENTS FOR NURSING STUDENTS, THE ESTABLISHMENT OF REGISTERED APPRENTICESHIPS FOR TEACHERS, REPORTING BY THE OFFICE OF WORKFORCE STRATEGY, PROMOTION OF THE DEVELOPMENT OF THE INSURANCE INDUSTRY AND A STUDENT LOAN SUBSIDY FOR HIGH-DEMAND PROFESSIONS.

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

1 Section 1. (*Effective from passage*) (a) There is established a task force
2 to develop a plan for establishing clinical placements at state facilities
3 for nursing students at public institutions of higher education. The task
4 force shall examine (1) the types of state facilities that can accommodate
5 such clinical placements, including, but not limited to, state correctional
6 facilities and facilities operated by the Departments of Mental Health
7 and Addiction Services, Children and Families and Developmental
8 Services, (2) the number and types of clinical placements that may be
9 established at each state facility, (3) the staffing requirements for
10 providing such clinical placements and whether state facilities meet
11 such staffing requirements, and (4) the total and per-student cost to state

12 facilities to provide such clinical placements.

13 (b) The task force shall consist of the following members:

14 (1) Two appointed by the speaker of the House of Representatives,
15 one of whom has expertise in clinical nursing and one of whom is a
16 nursing education program administrator at a public institution of
17 higher education;

18 (2) Two appointed by the president pro tempore of the Senate, one of
19 whom is a nurse administrator at a state agency or a state facility and
20 one of whom has expertise in clinical placements for nursing students;

21 (3) One appointed by the majority leader of the House of
22 Representatives, who is a representative of the Department of Public
23 Health and is a registered nurse;

24 (4) One appointed by the majority leader of the Senate, who is a
25 representative of the Department of Mental Health and Addiction
26 Services and is a registered nurse;

27 (5) One appointed by the minority leader of the House of
28 Representatives, who is a representative of the Department of
29 Developmental Services and is a registered nurse; and

30 (6) One appointed by the minority leader of the Senate, who is a
31 representative of the Department of Children and Families and is a
32 registered nurse.

33 (c) Any member of the task force appointed under subdivisions (1)
34 and (2) of subsection (b) of this section may be a member of the General
35 Assembly.

36 (d) All initial appointments to the task force shall be made not later
37 than thirty days after the effective date of this section. Any vacancy shall
38 be filled by the appointing authority.

39 (e) The speaker of the House of Representatives and the president pro
40 tempore of the Senate shall select the chairpersons of the task force from

41 among the members of the task force. Such chairpersons shall schedule
42 the first meeting of the task force, which shall be held not later than sixty
43 days after the effective date of this section.

44 (f) The administrative staff of the joint standing committee of the
45 General Assembly having cognizance of matters relating to higher
46 education and employment advancement shall serve as administrative
47 staff of the task force.

48 (g) Not later than January 1, 2024, the task force shall submit a report
49 on its findings and recommendations to the joint standing committee of
50 the General Assembly having cognizance of matters relating to higher
51 education and employment advancement, in accordance with the
52 provisions of section 11-4a of the general statutes. The task force shall
53 terminate on the date that it submits such report or January 1, 2024,
54 whichever is later.

55 Sec. 2. (NEW) (*Effective January 1, 2024, and applicable to taxable years*
56 *commencing on or after January 1, 2024*) (a) As used in this section:

57 (1) "Clinical placement" means a clinical learning experience that
58 involves the provision of patient care by nursing students under the
59 direction and supervision of a preceptor as a required component of a
60 nursing education program curriculum;

61 (2) "Nursing student" means any student enrolled in a nursing
62 education program at an institution of higher education in the state to
63 earn a bachelor's, master's or doctorate degree; and

64 (3) "Preceptor" means any licensed health care provider who
65 provides direction and supervision to nursing students pursuant to an
66 agreement with an institution of higher education to provide clinical
67 placements.

68 (b) For taxable years commencing on or after January 1, 2024, any
69 preceptor who provides clinical placements for nursing students in the
70 state may be allowed, pursuant to the provisions of subsection (e) of this
71 section, to claim a credit against the tax imposed under chapter 229 of

72 the general statutes, other than the liability imposed by section 12-707
73 of the general statutes. Such credit shall be in the amount of one
74 thousand dollars for every one hundred clinical placement hours in
75 which such preceptor directed and supervised a nursing student during
76 the taxable year, provided (1) the preceptor provides such clinical
77 placement hours at no cost to the nursing student or the institution of
78 higher education in which such nursing student is enrolled, (2) a
79 preceptor claiming the credit under this section shall not claim any other
80 credit against the preceptor's tax liability under any provision of the
81 general statutes for the same one hundred clinical placement hours, (3)
82 the amount of credit allowed to any preceptor in any taxable year shall
83 not exceed four thousand dollars, (4) the credit may only be used to
84 reduce a preceptor's tax liability under chapter 229 of the general
85 statutes for the taxable year in which such preceptor provided the one
86 hundred clinical placement hours, and (5) only one preceptor may claim
87 a credit for the same one hundred clinical placement hours.

88 (c) The total amount of credits allowed under this section shall not
89 exceed one million five hundred thousand dollars in any fiscal year.

90 (d) (1) To be eligible to claim the credit pursuant to subsection (b) of
91 this section for each taxable year, a preceptor shall apply to the
92 Commissioner of Public Health in a form and manner prescribed by the
93 commissioner. Such application shall contain sufficient information as
94 required by the commissioner, including, but not limited to,
95 documentation of the clinical placement hours completed and the
96 agreement between the preceptor and an institution of higher education
97 to provide clinical placements.

98 (2) Upon receipt of an application, the Commissioner of Public Health
99 shall render a decision, in writing, on each completed application not
100 later than thirty days after the date of its receipt by the commissioner. If
101 the preceptor meets the requirements of this section and the total
102 amount of credits claimed in any fiscal year have not exceeded the limit
103 set forth in subsection (c) of this section, the commissioner shall issue a
104 certification letter to the preceptor indicating that the credit will be

105 available to be claimed by the preceptor.

106 Sec. 3. (*Effective July 1, 2023*) The executive director of the Office of
107 Higher Education, the Labor Commissioner and the Commissioner of
108 Education shall jointly develop a plan to establish a program for
109 registered apprenticeships for teachers in which students in education
110 preparation programs may be employed by a school district as an
111 apprentice teacher's aide while completing coursework and
112 apprenticeship hours in not more than three years. Such plan shall
113 include, but need not be limited to, (1) the development, in consultation
114 with educator preparation program administrators at institutions of
115 higher education in the state, of a framework for a program in which
116 students may earn a bachelor's degree and be eligible for teacher
117 certification by completing a requisite number of apprenticeship hours
118 and related coursework in three years, (2) an assessment, in consultation
119 with local and regional boards of education, of the capability and
120 interest within school districts to establish and provide such
121 apprenticeship programs in partnership with institutions of higher
122 education, (3) an assessment of supports that may be provided by state
123 agencies to aid local and regional boards of education and institutions
124 of higher education in establishing such apprenticeship programs, and
125 (4) a fiscal analysis of the costs and benefits of establishing such
126 apprenticeship programs, including, but not limited to, the feasibility of
127 providing state grants to local and regional boards of education to offset
128 the initial costs of developing and registering an apprenticeship
129 program. Not later than January 1, 2024, the executive director of the
130 Office of Higher Education shall submit, in accordance with the
131 provisions of section 11-4a of the general statutes, to the joint standing
132 committees of the General Assembly having cognizance of matters
133 relating to higher education and employment advancement and
134 education the plan developed pursuant to this section and any
135 recommendations for legislation necessary for the implementation of
136 such plan.

137 Sec. 4. Subsection (b) of section 4-124jj of the general statutes is
138 repealed and the following is substituted in lieu thereof (*Effective July 1,*

139 2023):

140 (b) Not later than October 1, 2022, and annually thereafter, [until
141 October 1, 2025,] the Chief Workforce Officer shall submit to the
142 Governor and, in accordance with the provisions of section 11-4a, to the
143 joint standing committees of the General Assembly having cognizance
144 of matters relating to finance, higher education and employment
145 advancement, education, commerce, and labor and public employees a
146 report regarding the workforce training programs funded through the
147 Office of Workforce Strategy account. Such report shall include, but not
148 be limited to, information on the number of individuals served,
149 demographic information about such individuals and outcomes of such
150 individuals after completion of a workforce training program.

151 Sec. 5. Section 38a-8 of the general statutes is amended by adding
152 subsection (h) as follows (*Effective July 1, 2023*):

153 (NEW) (h) The commissioner shall promote the development and
154 growth of, and employment opportunities within, the insurance
155 industry in the state.

156 Sec. 6. (NEW) (*Effective July 1, 2023*) (a) As used in this section:

157 (1) "Authority loans" has the same meaning as provided in section
158 10a-223 of the general statutes; and

159 (2) "High-demand professions" means a (A) registered nurse, (B)
160 licensed practical nurse, (C) home health aide, (D) provider of programs
161 or services for individuals with intellectual or developmental
162 disabilities who is employed by a state agency or nonprofit
163 organization, and (E) child care provider employed by a child care
164 center, group child care home or family child care home.

165 (b) The Connecticut Higher Education Supplemental Loan Authority
166 shall establish, subject to available funding pursuant to section 8 of this
167 act, a Student Loan Subsidy Program for the purpose of subsidizing
168 interest rates on authority loans to individuals employed in high-
169 demand professions and who meet the eligibility criteria established by

170 the authority pursuant to subsection (c) of this section.

171 (c) The authority shall establish the eligibility criteria and
172 administrative guidelines for the Student Loan Subsidy Program. Such
173 eligibility criteria and guidelines shall include, but need not be limited
174 to, (1) applicant eligibility, (2) interest rate subsidies and principal limits
175 on authority loans subject to the Student Loan Subsidy Program, (3) the
176 process for verifying the employment of the applicants, and (4) the
177 requirement that an interest rate subsidy through the Student Loan
178 Subsidy Program shall terminate for any subsidy recipient who ceases
179 to meet the employment requirements of such program during the term
180 of such recipient's loan from the authority.

181 Sec. 7. (NEW) (*Effective July 1, 2023*) The Connecticut Higher
182 Education Supplemental Loan Authority shall maintain a separate,
183 nonlapsing account to hold funds for the Student Loan Subsidy
184 Program established pursuant to section 7 of this act. The account shall
185 contain any moneys required by law to be deposited in the account,
186 including, but not limited to, state appropriations or proceeds from the
187 sale of bonds authorized under section 9 of this act. Moneys in the
188 account shall be expended by the authority for the purposes of the
189 Student Loan Subsidy Program and for reasonable and necessary
190 expenses for the administration of such program.

191 Sec. 8. (NEW) (*Effective July 1, 2023*) (a) For the purposes described in
192 subsection (b) of this section and section 7 of this act, the State Bond
193 Commission shall have the power from time to time to authorize the
194 issuance of bonds of the state in one or more series and in principal
195 amounts not exceeding seven million dollars annually.

196 (b) The proceeds of the sale of such bonds, to the extent of the amount
197 stated in subsection (a) of this section, shall be used by the Connecticut
198 Higher Education Supplemental Loan Authority for the purpose of the
199 Student Loan Subsidy Program established under section 7 of this act.

200 (c) All provisions of section 3-20 of the general statutes, or the exercise
201 of any right or power granted thereby, that are not inconsistent with the

202 provisions of this section are hereby adopted and shall apply to all
 203 bonds authorized by the State Bond Commission pursuant to this
 204 section. Temporary notes in anticipation of the money to be derived
 205 from the sale of any such bonds so authorized may be issued in
 206 accordance with section 3-20 of the general statutes and from time to
 207 time renewed. Such bonds shall mature at such time or times not
 208 exceeding twenty years from their respective dates as may be provided
 209 in or pursuant to the resolution or resolutions of the State Bond
 210 Commission authorizing such bonds. None of such bonds shall be
 211 authorized except upon a finding by the State Bond Commission that
 212 there has been filed with it a request for such authorization that is signed
 213 by or on behalf of the Secretary of the Office of Policy and Management
 214 and states such terms and conditions as said commission, in its
 215 discretion, may require. Such bonds issued pursuant to this section shall
 216 be general obligations of the state and the full faith and credit of the state
 217 of Connecticut are pledged for the payment of the principal of and
 218 interest on such bonds as the same become due, and accordingly and as
 219 part of the contract of the state with the holders of such bonds,
 220 appropriation of all amounts necessary for punctual payment of such
 221 principal and interest is hereby made, and the State Treasurer shall pay
 222 such principal and interest as the same become due.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>January 1, 2024, and applicable to taxable years commencing on or after January 1, 2024</i>	New section
Sec. 3	<i>July 1, 2023</i>	New section
Sec. 4	<i>July 1, 2023</i>	4-124jj(b)
Sec. 5	<i>July 1, 2023</i>	38a-8(h)
Sec. 6	<i>July 1, 2023</i>	New section
Sec. 7	<i>July 1, 2023</i>	New section
Sec. 8	<i>July 1, 2023</i>	New section

Statement of Legislative Commissioners:

In Section 1(a), in the first and second sentences "working group" was changed to "task force" for internal consistency.

HED *Joint Favorable Subst. -LCO*

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 24 \$	FY 25 \$
Department of Revenue Services	GF - Revenue Loss	None	Up to 1.5 million
Department of Revenue Services	GF - Cost	Up to 100,000	None
Public Health, Dept.	GF - Cost	160,000	164,000
State Comptroller - Fringe Benefits ¹	GF - Cost	68,512	70,225
Treasurer, Debt Serv.	GF - Cost	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The sections of the bill that are anticipated to have a fiscal impact are included below.

Section 2 establishes an income tax credit for preceptors to be administered by the Department of Public Health (DPH), which results in: 1) a General Fund revenue loss of up to \$1.5 million annually beginning in FY 25, and 2) a one-time cost of up to \$100,000 to the Department of Revenue Services in FY 24 only associated with programming updates to the CTax tax administration system and myconneCT online portal, and form modification, 3) a cost to DPH of \$160,000 in FY 24 and \$164,000 in FY 25 for two Financial Examiner positions and, 4) associated fringe benefit costs of \$68,512 in FY 24 and

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 42.82% of payroll in FY 24.

\$164,000 in FY 25 to the Office of the State Comptroller – Fringe Benefits. DPH staff are needed to process program applications, render decisions on program eligibility within 30 days upon receipt of applications, and issue credit certification letters, anticipated to number approximately 375 annually.

Section 4 eliminates the sunset date of October 1, 2025 for the Office of Workforce Strategy (OWS) to provide an annual report on the workforce training programs funded through the OWS. It is anticipated that OWS can produce this report annually within existing resources. However, the level of funding available for OWS’ workforce training programs in the out years is uncertain.

Background

The workforce training programs under OWS are primarily funded through \$70 million in American Rescue Plan Act (ARPA) funds, which are required to be fully expended by the end of calendar year 2026. In addition, \$40 million in state General Obligation (GO) bond funds have been authorized to support OWS’ workforce training initiatives, of which \$5 million has been allocated to date.

Section 8 authorizes \$7 million in GO bonds each fiscal year starting in FY 24 for the student loan subsidy program established in this act, to be administered by the Connecticut Higher Education Supplemental Loan Authority. To the extent the new bonds authorized are fully allocated and expended, there would be an increase in annual General Fund debt service costs until such bonds are fully repaid. At current market rates, total repayment costs over 20 years for \$7 million of GO bond authorizations are estimated to be approximately \$10.9 million.

The bill creates an annual new GO bond authorization, which would continue to add \$7 million of new bond authorizations each year until changed or repealed. Additional years of authorization past the initial year would increase the potential costs proportionately – for example, 10 years of authorizations would be \$70 million of bond authorizations at a total estimated debt service cost of \$109 million.

To the extent the new bonds authorized are certified by the Treasurer, and are fully allocated and expended, there would be an increase in annual General Fund debt service costs until such bonds are fully repaid. However, when portions of an authorization are specified to become effective in future years, the full authorization amount is typically known at the time of adoption. The total potential debt service cost is unknowable, given the lack of a finite amount or time frame of the bond authorization.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation, the \$1.5 million annual aggregate cap on credits allowed under the bill, and the terms of any bonds issued.

OLR Bill Analysis**sHB 5441*****AN ACT CONCERNING CLINICAL PLACEMENTS FOR NURSING STUDENTS, THE ESTABLISHMENT OF REGISTERED APPRENTICESHIPS FOR TEACHERS, REPORTING BY THE OFFICE OF WORKFORCE STRATEGY, PROMOTION OF THE DEVELOPMENT OF THE INSURANCE INDUSTRY AND A STUDENT LOAN SUBSIDY FOR HIGH-DEMAND PROFESSIONS.*****SUMMARY**

This bill makes various unrelated changes affecting higher education statutes and programs. Principally, it does the following:

1. creates an eight-member task force to develop a plan to establish clinical placements at state facilities for nursing students at public higher education institutions (§ 1);
2. creates a state income tax credit of up to \$4,000 per tax year for certain licensed health care providers (“preceptors”) who provide clinical placements for nursing students as part of an agreement with a higher education institution (§ 2);
3. requires the Office of Higher Education (OHE) executive director and the labor and education commissioners to jointly develop a plan to establish a registered apprenticeship program to allow certain students to work as apprentice teacher’s aides (§ 3);
4. makes permanent a provision set to sunset on October 1, 2025, that requires the Chief Workforce Officer to annually report to the governor and certain legislative committees on the Office of Workforce Strategy’s workforce training programs (§ 4);
5. requires the insurance commissioner to promote the development and growth of, and employment opportunities within, the state’s insurance industry (§ 5); and

6. requires the Connecticut Higher Education Student Loan Authority (CHESLA) to establish a Student Loan Subsidy Program to subsidize interest rates on authority loans to eligible people employed in high-demand professions (§§ 6-8).

EFFECTIVE DATE: July 1, 2023, except that the task force provision is effective upon passage, and the tax credit provision takes effect January 1, 2024, and applies to tax years beginning on or after that date.

§ 1 — NURSING STUDENT CLINICAL PLACEMENT TASK FORCE

Duties

The bill establishes a task force to develop a plan to establish clinical placements for nursing students at public colleges and universities. In developing the plan, the bill requires the task force to examine the following:

1. the types of state facilities that can accommodate these clinical placements, including state correctional facilities and facilities operated by the Department of Mental Health and Addiction Services (DMHAS), the Department of Children and Families (DCF), and the Department of Developmental Services (DDS);
2. the number and type of clinical placements that may be established at each state facility;
3. the staffing requirements for providing the clinical placements and whether the facilities meet them; and
4. the total and per-student cost to state facilities to provide the clinical placements.

Membership

The task force includes eight members appointed by the six legislative leaders. The table below lists the appointees' qualifications and appointing authorities. Members appointed by the House speaker and Senate president pro tempore may be legislators.

Table: Task Force Membership

<i>Appointing Authority</i>	<i>Number of Appointments</i>	<i>Qualifications</i>
House speaker	Two	One must have expertise in clinical nursing; one must be a nursing education program administrator at a public higher education institution
Senate president pro tempore	Two	One must be a nurse administrator at a state agency or a state facility; one must have expertise in nursing student clinical placements
House majority leader	One	Department of Public Health (DPH) representative who is a registered nurse
Senate majority leader	One	DMHAS representative who is a registered nurse
House minority leader	One	DDS representative who is a registered nurse
Senate minority leader	One	DCF representative who is a registered nurse

The bill requires appointing authorities to make their initial appointments within 30 days of the bill's passage and fill any vacancies.

Leadership, Staff, and Meetings

Under the bill, the House speaker and Senate president pro tempore must select the task force chairpersons from among its members. The chairpersons must schedule the task force's first meeting to be held within 60 days after the bill's passage.

The bill requires the Higher Education and Employment Advancement Committee's administrative staff to serve in this capacity for the task force.

Report

The bill requires the task force to report its findings and recommendations to the Higher Education and Employment Advancement Committee by January 1, 2024. It terminates on this date or the date it submits the report, whichever is later.

§ 2 — TAX CREDIT FOR PROVIDERS OF CLINICAL NURSING EXPERIENCES***Credit Established***

Starting with the 2024 tax year, the bill creates a state income tax credit for preceptors who provide clinical placements for nursing students enrolled in bachelors, masters, or doctorate programs in Connecticut. Under the bill, a “preceptor” is a licensed health care provider who directs and supervises nursing students in clinical placements under an agreement with a higher education institution.

Specifically, the bill allows preceptors to claim a \$1,000 credit against the state income tax (but not the withholding tax), for every 100 clinical placement hours the preceptor worked, up to a maximum credit of \$4,000 per tax year. It caps at \$1.5 million the total amount of credits that may be awarded in each fiscal year.

Eligibility

Under the bill, to qualify for the tax credit, the preceptor must do the following:

1. provide the clinical placement hours at no cost to the nursing student or the student’s higher education institution,
2. not claim any other credit against his or her state tax liability for the same 100 clinical placement hours,
3. only claim the credit if no other preceptor has done so for the same 100 clinical placement hours,
4. use the credit to reduce his or her tax liability only in the tax year the clinical placement hours were provided, and
5. apply to the DPH commissioner to claim the credit.

Application Process

The bill requires preceptors to apply to the DPH commissioner to receive the tax credit in a form and manner she prescribes. The application must contain sufficient information, as the commissioner

requires, including (1) documentation of completed clinical placement hours and (2) the agreement between the preceptor and the higher education institution to provide clinical placements.

The bill requires the DPH commissioner to make a written decision on each completed application within 30 days after receiving it. The commissioner must approve the application and issue a certification letter to the preceptor indicating that the credit is available for the preceptor to claim if she finds that the (1) preceptor meets the requirements listed above and (2) total credit amounts claimed in that fiscal year have not exceeded the \$1.5 million limit (it does not specify how the commissioner must determine this).

§ 3 — REGISTERED APPRENTICESHIP PROGRAM FOR APPRENTICE TEACHER’S AIDES

The bill requires the OHE executive director and the education and labor commissioners to jointly develop a plan to establish a registered apprenticeship program for teachers. The program must allow school districts to hire students in education preparation programs as apprentice teacher’s aides while the students complete their coursework and apprenticeship hours, for up to three years.

Under the bill, the plan must do the following:

1. develop, in consultation with education preparation program administrators at state higher education institutions, a framework for a program where students can earn a bachelor’s degree and qualify for teacher certification by completing a required number of apprenticeship hours and related coursework within three years;
2. assess, in consultation with local and regional boards of education, school districts’ capability and interest in establishing and providing these programs in partnership with higher education institutions;
3. assess supports that state agencies may provide to help local and

regional boards of education and higher education institutions establish the programs; and

4. provide a fiscal analysis of the costs and benefits of establishing the programs, including the feasibility of providing state grants to local and regional boards of education to offset the initial costs of developing and registering a program.

The bill requires the OHE executive director, by January 1, 2024, to report to the Higher Education and Employment Advancement Committee on the plan and any legislative recommendations needed to implement it.

§ 4 — OFFICE OF WORKFORCE STRATEGY REPORTING REQUIREMENTS

The bill makes permanent the requirement that the chief workforce officer annually report to the governor and the Commerce; Education; Finance, Revenue and Bonding; Higher Education and Employment Advancement; and Labor and Public Employees committees on Office of Workforce Strategy workforce training programs. Under current law, the reporting requirement sunsets on October 1, 2025.

Under the bill and existing law, the report must include information on the number, demographics, and outcomes of program participants.

§§ 6-8 — STUDENT LOAN SUBSIDY PROGRAM FOR HIGH DEMAND PROFESSIONS

The bill requires CHESLA to establish a Student Loan Subsidy Program, subject to available funding, to subsidize interest rates on authority loans given to eligible people employed in high-demand professions. Under the bill and existing law, “authority loans” are education loans by CHESLA or CHESLA loans from the proceeds of bonds to fund education loans.

Under the bill, “high-demand professions” include:

1. registered nurses, licensed practical nurses, and home health aides;

2. providers of programs or services for people with intellectual or developmental disabilities employed by a state agency or nonprofit organization; and
3. child care providers employed by a child care center or group or family child care home.

Eligibility and Administrative Guidelines

The bill requires CHESLA to set the program's eligibility criteria and administrative guidelines, which must include at least the following:

1. applicant eligibility;
2. interest rate subsidies and principal limits on authority loans subject to the program;
3. the process for verifying applicants' employment; and
4. the requirement that an interest rate subsidy provided through the program terminates for a subsidy recipient who no longer meets the program's employment requirements during the loan's term.

Program Account

The bill requires CHESLA to establish a separate, non-lapsing account for the program, which must contain any money required by law to be deposited into it (e.g., state appropriations and proceeds from bond sales (see below)).

Under the bill, CHESLA must spend account funds on the program's purposes (i.e., student loan interest rate subsidies) as well as any reasonable and necessary expenses to administer it.

The bill also authorizes up to \$7 million per year in general obligation bonds and requires CHESLA to use the proceeds for the program.

COMMITTEE ACTION

Higher Education and Employment Advancement Committee

Joint Favorable

Yea 22 Nay 0 (03/14/2023)