



342 North Main Street, Suite 202, West Hartford, Connecticut 06117
Phone: (860) 236-0900 • Fax: (860) 236-0910
www.theccic.org

**Testimony for the
Higher Education & Workforce Advancement Committee
From
Judith B. Greiman
Connecticut Conference of Independent Colleges
February 10, 2009**

On behalf of the member institutions of the Connecticut Conference of Independent Colleges (CCIC), I am submitting testimony on three bills.

S.B. 798, AAC Allowing the DHE to Retain an Administrative Cost Allowance from the Connecticut Independent College Student Grant Program

We oppose passage of S.B. 798, which proposes taking a percentage of the appropriation of money for the CICS need-based grant program for use by the Department of Higher Education for administrative purposes. The program has operated without any administrative fees since 1992. At that time, the legislature took away the administrative fee that had been going to the DHE.

The weakened economy has already resulted in increased requests for financial aid. This is expected to increase significantly now that so many families are experiencing lay-offs and investment losses. At the same time, funds available for campus-provided financial aid are reduced due to the endowment investment losses and increased interest rates on borrowing. Additionally, there is some concern that students might have a harder time securing loans for next academic year due to the overall credit crunch. This is not the time to take money for administrative purposes from the program. **With an average grant of \$4,043, the \$119,569 sought by the DHE equals 29.5 students who would not receive a grant next year.** This is not the year to go back on our long-standing tradition of no overhead for our need-based grant programs.

Proposed Bill No. 5119 AAC Institutions of Higher Education and the Solicitation of Credit Cards to College Students

Proposed Bill No. 73 AAC the Solicitation of Credit Cards to College Students and the Management of Student Credit Card Debt

These bills seek to limit credit card issuers from having financial relationships with campuses, students and alumni. While each bill has at its core a desire to keep students safe from predatory lenders, each raises some concerns.

The first proposal may impact or discourage the well-known practice of “sign up for our card and get a tee shirt” promotions. It is important that it not, however, be construed so as to discourage visits by banks to discuss their entire portfolio of services. It is just as critical to offer and make available to students a reasonable range of banking services, as it is to prevent them from being badgered by card issuers. For better or worse, the college years are the time that students learn to become consumers of these common financial tools. The banks should be permitted to market checking and savings accounts, and schools should be able to contract with banks to provide ATM and other on-campus banking services for the convenience of students, staff and faculty. It should be noted that once a student opens an account with a bank, a college has no control over other offers or marketing materials the student then receives from the bank.

The sections of the bills precluding disclosure of student information to banks raise two problems. First, they need to exempt disclosures of student information made with the student’s consent and should add the words “for the purposes of credit card solicitation.” This addition would ensure, for example, that disclosures to banks (that happen to offer credit cards) for financial aid or other legitimate purposes are not inadvertently caught up in this provision.

Second, support by alumni of non-profit educational institutions is generally thought to be a good thing, if done voluntarily and with informed consent regarding any significant risks. Alumni enjoy the affiliation with and support of their alma maters and schools receive some revenue to assist with their budgets. Alumni are adults who make credit card decisions based on many factors, including support for beloved institutions.

Finally, it should be noted that most colleges and universities provide financial literacy information during orientation, through the financial aid office or at in other ways. It is particularly important in this economic climate that we not put an unfunded mandate on colleges with regard to the provision of debt education materials to students.