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**Testimony for the
Higher Education Committee
Judith B. Greiman
Connecticut Conference of Independent Colleges
February 28, 2013**

On behalf of the member institutions of the Connecticut Conference of Independent Colleges (CCIC), I am submitting testimony opposing S.B. 844, AAC Implementing the Budget Recommendations of the Governor Concerning Higher Education that merges Connecticut's financial aid programs and imposes fees for approval of licensure and program approval. We believe that both of these proposals will serve to hurt students and will interfere with our meeting the workforce needs of Connecticut's employers.

While we understand the difficult budget issues that continue to impact state services, we must point out that the three primary state-funded financial aid programs, CICS, CAPCS and Capitol Scholars, have been substantially cut in the past two budgets and in the FY 13 rescission. This comes at a time of historically high student need.

About the grant

The Connecticut Independent College Student grant program (CICS) is a need-based financial aid grant program for Connecticut students that attend Connecticut non-profit, private colleges. 5144 students received a CICS award in FY12. The FY 13 appropriation of \$16,158,319 is a 31% reduction from FY 11. Based on the average award, this equates to nearly 1,845 fewer students receiving the grant in FY 13 than FY 11. This was cut even more in the FY13 rescission (to \$15.96 million) and schools were required to return money to the State that had been promised to students.

Concerns about the funding cut:

Due to the weakened economy, more Connecticut students are eligible for need-based aid than ever before due to job loss, investment loss or lowered income. While the amount of federal and institutional aid awarded to these students to help meet their need is skyrocketing, state aid is going down. Of greatest significance is the fact that since 2011, the number of overall Pell grant recipients in Connecticut has increased by 28%. Cutting need-based grant aid any further will only hurt Connecticut's students and families.

Concerns about the merger of all state financial aid programs:

- The proposal to merge the three aid programs into one and to set rigid guidelines related to grant award size and income level will hurt CT's workforce in the long run and its students in the nearer term. Additionally, using only expected family contribution rather than cost of attendance minus EFC to determine need will disproportionately impact private college students in a negative way. It is instructive to note that even the Pell Grant program includes a cost of attendance element in determining grant size per EFC band. In other words, students with similar EFCs who go to differently priced institutions receive different amounts of Pell Grant funding.

Albertus Magnus College, Connecticut College, Fairfield University, Goodwin College, Mitchell College, Quinnipiac University, Rensselaer at Hartford, Sacred Heart University, St. Vincent's College, Trinity College, University of Bridgeport, University of Hartford, University of New Haven, University of Saint Joseph, Wesleyan University, Yale University

- The legislation says that **at least** 20% of any scholarship money should be used for a need/merit program run by the Office of Higher Education and **up to** 80% should be used for the need-only component. This gives significant leeway to the agency to decide just how much money should be used only for need-based scholarships. There is a significant body of research that outlines the fact that merit based scholarships often have no impact on a student's decision to attend college but need-based scholarships do. We believe that Connecticut should not make a wholesale switch in its need vs. merit pools without a significant policy discussion. This could certainly happen if the proposed bill is passed.
- The proposal takes from the declining pool of grant funds to pay for OHE administrative costs (the greater of \$100,000 and ¼ of 1% of funding per year). OHE has testified that no additional staff would be needed to administer this program. Grant funds have not been used for administration in the past and should be used to support students.
- CT's public colleges have more students and the money will likely skew towards the publics even though the State already subsidizes each public college student (with or without need) and the cost is lower.
- Part-time students are often the neediest and are often enrolled part-time because they have to work to pay for school. Cutting them out of the scholarship programs seems self-defeating.
- The wording of Section 14 (b) and (e) raises the question as to whether the new scholarship is for anyone other than first time full time students. This is defined as entering freshman students who have not previously attended any accredited college or university. It could be read to mean that there is no subsequent grant allowed in future years or that transfer students or students who are returning after a hiatus are not eligible.
- The proposal eliminates the requirement to set-aside a portion of the CICS grant for minority students.
- As noted in the Office of Financial and Academic Affairs' 2012 report on the CICS program, " This evaluation of the CICS 1) appropriations formula, 2) the allocation formula, and 3) how the amount of financial aid is determined demonstrates that *these components of the CICS Program work as intended*. The formulas continue to be relevant, and the way aid is awarded is consistent with federal and institutional standards....This report's brief review of one year of data shows a program that is performing in a manner that encourages Connecticut's neediest students to stay in school, apply themselves and complete their educations."

Concerns about the imposition of fees

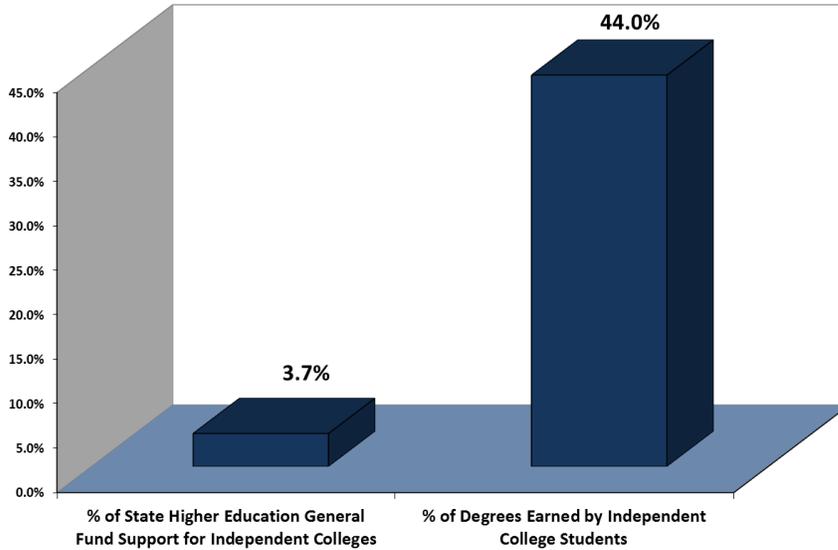
Connecticut is one of few states that regulates academic program approval in the nonprofit college sector. Thirty-six states have no such approval and others have far less regulation than in Connecticut. We are in conversation with the administration about revisions to this process and hope to have some regulatory relief in the coming year. We do not support adding additional costs through the imposition of fees including a \$2000 annual fee for every in-state private institution to \$500 for an academic program modification. This would hit the college bottom line at the worst possible time. It would make Connecticut private colleges less competitive in the national marketplace and is at odds with Connecticut's economic development goals.

About Private Nonprofit Colleges in CT

- Enroll 31% of all college students statewide including 45% of four-year minority students.
- Award 44% of all degrees granted in Connecticut in 2010-11, including 44% of all Bachelor's, 64% of all Master's, and 58.5% of all Doctoral and 57% of all Professional degrees.
- Award 57% of all degrees received by minority students (four-year and above).
- Award 53-72% of four-year and above degrees given in key economic development cluster areas.
- Provided almost \$65 million annually in need-based institutional financial aid to Connecticut undergraduates in 2010-11.

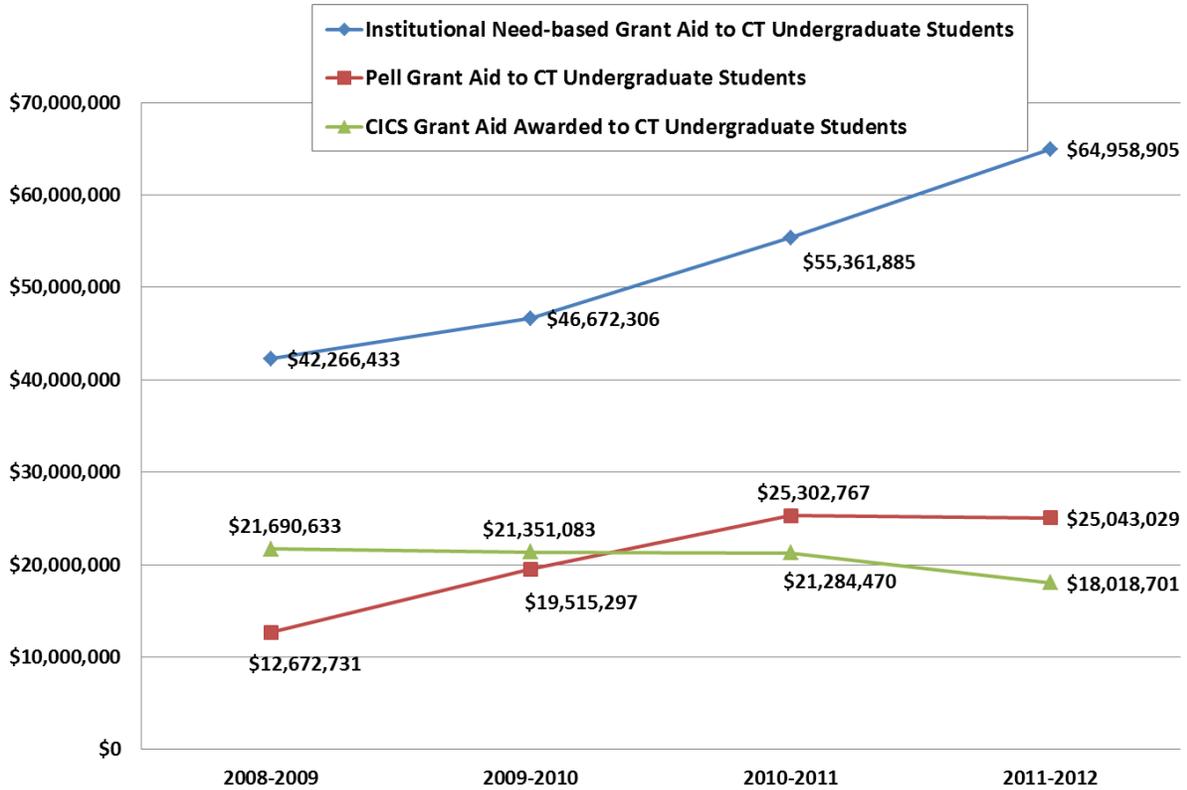
Leveraging the State's Investment: 2010-2011

Source: Office of Fiscal Analysis State Budget Book & IPEDS



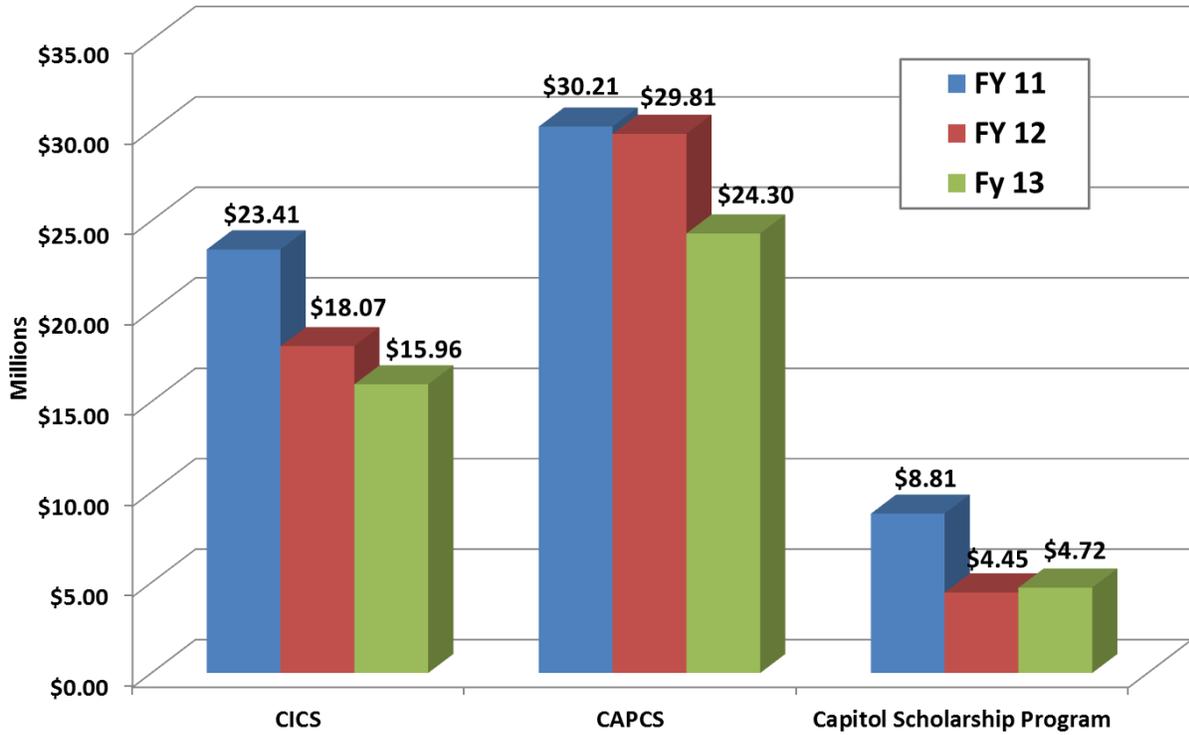
State, Federal and Institutional Need-based Grant Aid Awarded to Connecticut Undergraduate students at CCIC Institutions: 2008-2012

Sources: OFAAHE CICS Expenditure Report and OFA Budget Book



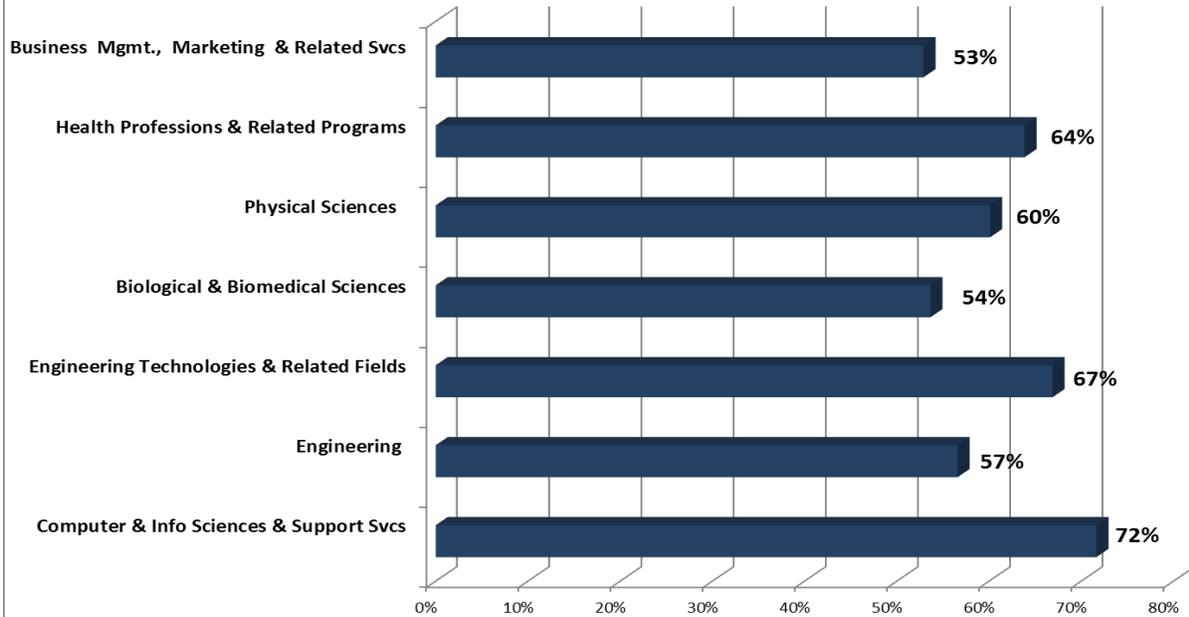
State of Connecticut Student Financial Aid Grant Programs Funding: FY 11-FY 13

Source: Office of Fiscal Analysis



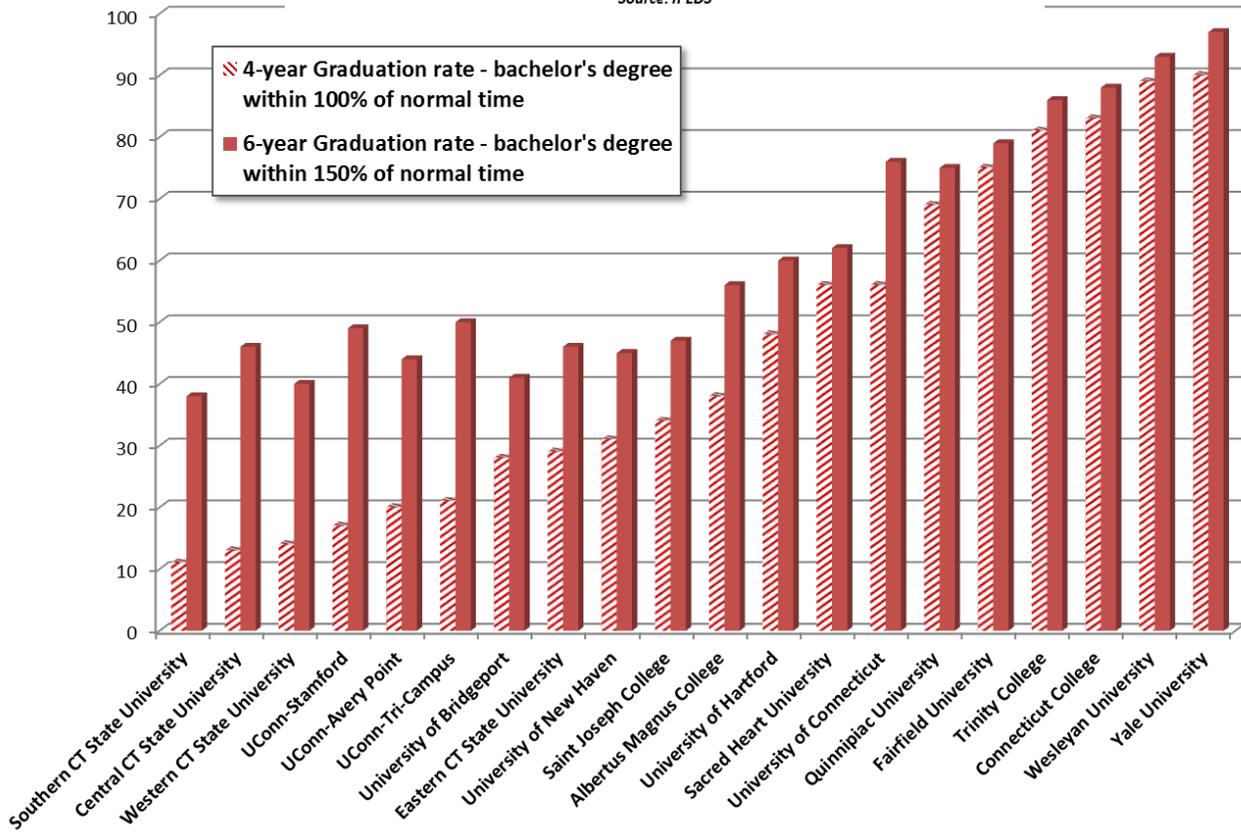
Percent of Statewide Industry Cluster Degrees Awarded by Connecticut Independent Colleges in 2011: Bachelor's Degrees & Above

Source: IPEDS



4-year & 6-year Graduation Rates for Connecticut Higher Education Institutions: 2010

Source: IPEDS



Percentage of CICS Recipients that are Minorities Compared to Total Undergraduate Student Enrollment at CCIC Institutions: 2010-2011

(Black or African American, Hispanic, or Asian)

Source: IPEDS

