STATE OF CONNECTICUT
Office of Higher Education

Testimony
by
Jane A. Ciarleglio
Executive Director
Office of Higher Education
before the
Higher Education and Employment Advancement Committee
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Senator Bye, Representative Willis, Senator Boucher, Representative LeGeyt and distinguished members of the Higher Education and Employment Advancement Committee, thank you for the opportunity to offer testimony in support of Governor's Bill 844 - AN ACT IMPLEMENTING THE BUDGET RECOMMENDATIONS OF THE GOVERNOR CONCERNING HIGHER EDUCATION. I will keep my formal remarks brief so that Mark French, our Associate Director of Student Financial Aid, may present on the proposed scholarship program.

Let me begin with a few comments on the proposed fees for academic program approval contained in this bill. A recent survey of states' practices for approval of higher education institutions and programs indicates that only four of the 48 responding states and the District of Columbia do not charge fees for some aspect of program approval. Those states are Connecticut, Maine, Oklahoma and South Dakota. The survey also finds that New England states charge fees in the middle range for program approval, neither at the low nor high end of possible fees charged. The chart attached to my written testimony shows fees assessed by Massachusetts and New Hampshire and the revenue that they generated in 2010, 2011 and 2012. This chart is the basis for developing a set of proposed fees for Connecticut. Based on actual program approval activities in Connecticut from 2010 through 2012, the proposed fees could generate a minimum of $250,000 -- on par with the amounts generated by both Massachusetts and New Hampshire.

These fees would be applied to the program approval process of independent colleges which fall under our agency's purview. We currently charge similar fees for the approval of proprietary institutions.

Now let me turn to the proposed student financial aid program. Most of you know that Connecticut's major current state financial aid programs consist of three components: two need-based programs (the Connecticut Aid to Public College Students Grant or CAPCS, and the Connecticut Independent College Student Grant known as CICSG), and the merit- and need-based program called the Capitol Scholarship. The proposed new budget combines these programs into one, supported by a single appropriation. An advantage of this approach is that any future change in state student aid funding – either up or down – will be distributed equally among all students, no matter whether they attend a public or independent college.

The new program serves the same student populations of CAPCS, CICSG and the Capitol Scholarship but, for the first time, provides that state student aid will be disbursed based on common goals across all institutions, and will be measured – again, for the first-time – on the State's objectives of access, retention and completion <u>for students</u>. I emphasize students as this proposal, without question, presents a major shift in policy to make the provision of state financial aid student- and family-centered, not institutional-based. Further, it encourages students to complete their educations as quickly as possible, a key goal across the nation. This shift in policy toward State goals is driven, in large part, by the General Assembly's Results-Based Accountability initiative which fortunately gave us the tools to look at data for the first time in 30 years. This new data has helped us in the redesign of a single set of common, uniform and transparent State goals under which, for the first-time again, students will receive the same amount of aid according to the need they exhibit each year of their education, no matter the type of institution they attend.

Above all, this straightforward and transparent approach provides fairness. It eliminates inconsistencies such as the following. Last year, a student with a family mid-six figure income and an expected family contribution of $45,000 at one school received a state grant of $2,450 because the family, despite their financial wherewithal, still showed need; while a student at another school with a low-five figure income and a $7,500 expected family contribution received $500. Under the new program, the first student would not receive an award; the student in the second instance would receive $2,500. In another example from last year, the average award for the CAPCS program was $1,465, but the average award at Tunxis Community College was $1,868 and the average award at Gateway was $755. For the CICSG program, the average award was $3,628, but the average award at Quinnipiac was $5,676 while the average award at St. Vincent's was $1,229.

It is important to note that these examples are not mistakes, and this new approach did not result from mistakes in the past. In fact, generally, no institution over the years has administered the program improperly. However, now that we have data from both public and private sectors showing these inconsistencies and others in the way students are treated, it is abundantly clear that all three programs in Connecticut should adhere to a single set of standards that will help both students and their families, and help make college completion a reality for all. As designed now, this combined State scholarship program will be used for tuition and fees paid by full-time students only. We have heard you, and we are open to discussions about covering books, and certain part-time students. Keep in mind that this program is only one form of financial aid that institutions may award: the publics have tuition set-aside dollars, and the privates have institutional aid which they can and do award students as an incentive to enroll in their respective colleges. In addition, both sectors have federal funding available.

With this context in mind, let me now turn to Mark French who will provide you with more detail in his naturally crisp and concise way. Mark's presentation is attached to this testimony. We are also available to continue to work with you and LCO on any technical changes that may be needed.

Exhibit 1

Licensing & Accreditation Projection		Massachusetts					
		2009-2010		2010-2011		2011-2012	
Fee Description	**Fee Charged**	**Number**	**Revenue**	**Number**	**Revenue**	**Number**	**Revenue**
Initial Licensure Application - Institutional	$ 10,000.00	-	$ -	-	$ -	2	$ 20,000.00
Annual Fee	$ 4,000.00	39	$ 156,000.00	39	$ 156,000.00	37	$ 148,000.00
Initial Application Degrees/Programs	$ 2,000.00	85	$ 170,000.00	78	$ 156,000.00	57	$ 114,000.00
Requesting additional Program	$ -	-	$ -	-	$ -	-	$ -
Site Visit	$ 4,000.00	10	$ 40,000.00	10	$ 40,000.00	12	$ 48,000.00
Substantive Change	$ 500.00	1	$ 500.00	2	$ 1,000.00	-	$ -
Stipend for Evaluation Team	$ -	-	$ -	-	$ -	-	$ -
Expedited Review	$ -	-	$ -	-	$ -	-	$ -
Annual Revenue		**135**	**$ 366,500.00**	**129**	**$ 353,000.00**	**108**	**$ 330,000.00**

		New Hampshire					
		2009-2010		2010-2011		2011-2012	
Fee Description	**Fee Charged**	**Number**	**Revenue**	**Number**	**Revenue**	**Number**	**Revenue**
Initial Licensure Application - Institutional	$ 10,000.00	-	$ -	-	$ -	2	$ 20,000.00
Annual Fee	$ -	-	$ -	-	$ -	-	$ -
Initial Application Degrees/Programs	$ 2,000.00	85	$ 170,000.00	78	$ 156,000.00	57	$ 114,000.00
Requesting additional Program	$ 500.00	19	$ 9,500.00	14	$ 7,000.00	11	$ 5,500.00
Annual Reports	$ 500.00	7	$ 3,500.00	5	$ 2,500.00	11	$ 5,500.00
Site Visit	$ 1,000.00	10	$ 10,000.00	10	$ 10,000.00	12	$ 12,000.00
Substantive Change	$ 3,000.00	1	$ 3,000.00	2	$ 6,000.00	0	$ -
Stipend for Evaluation Team/per member	$ 1,000.00	40	$ 40,000.00	40	$ 40,000.00	48	$ 48,000.00
Expedited Review	$ 1,000.00	-	$ -	-	$ -	24	$ 24,000.00
Annual Revenue		**162**	**$ 236,000.00**	**149**	**$ 221,500.00**	**165**	**$ 229,000.00**

		Connecticut					
		2009-2010		2010-2011		2011-2012	
Fee Description	**Fee Proposal**	**Number**	**Revenue**	**Number**	**Revenue**	**Number**	**Revenue**
Initial Licensure Application - Institutional	$ 10,000.00		$ -	-	$ -	2	$ 20,000.00
Annual Fee (In State Independent)	$ 2,000.00	25	$ 50,000.00	25	$ 50,000.00	23	$ 46,000.00
Annual Fee (Out of State)	$ 4,000.00	14	$ 56,000.00	14	$ 56,000.00	14	$ 56,000.00
Initial Application Degrees/Programs (In State Independent)	$ 2,000.00	85	$ 170,000.00	78	$ 156,000.00	57	$ 114,000.00
Initial Application Degrees/Programs (Out of State)	$ 4,000.00	-	$ -	-	$ -	2	$ 8,000.00
Program Modification	$ 500.00	19	$ 9,500.00	14	$ 7,000.00	11	$ 5,500.00
Progress Reports	$ 500.00	7	$ 3,500.00	5	$ 2,500.00	11	$ 5,500.00
Site Visit	$ 1,000.00	10	$ 10,000.00	10	$ 10,000.00	12	$ 12,000.00
Substantive Change	$ 1,000.00	1	$ 1,000.00	2	$ 2,000.00	-	$ -
Stipend for Evaluation Team	$ 1,000.00	10	$ 10,000.00	10	$ 10,000.00	12	$ 12,000.00
Registration of Offerings	$ 100.00	22	$ 2,200.00	11	$ 1,100.00	9	$ 900.00
Expedited Review (Licensure or L&A)	$ 1,000.00	-	$ -	-	$ -	15	$ 15,000.00
Expedited Review (Accreditation)	$ 1,000.00	-	$ -	-	$ -	9	$ 9,000.00
Accreditation Application (In State Independent)	$ 1,000.00	34	$ 34,000.00	28	$ 28,000.00	35	$ 35,000.00
Relicensure Application (Out of State)	$ 1,000.00	-	$ -	5	$ 5,000.00	3	$ 3,000.00
Annual Revenue		**227**	**$ 346,200.00**	**202**	**$ 327,600.00**	**215**	**$ 341,900.00**