CCIC
Connecticut Conference
of Independent Colleges

21 Talcott Notch Road, Suite 1, Farmington, Connecticut 06032
Phone: (860) 678-0005 • Fax: (860) 678-0006
www.theccic.org

Testimony for the
Appropriations Committee
Judith B. Greiman
Connecticut Conference of Independent Colleges
February 24, 2014

On behalf of the member institutions of the Connecticut Conference of Independent Colleges (CCIC), **I am testifying in favor of Governor Malloy's proposed increases to the Governor's Scholarship Program and to the College & Hospital PILOT program.** We believe that each of these programs is vital to Connecticut's present and future and hope that you will include this funding in the final legislative budget.

PILOT-The PILOT increase will go a long way to helping to strengthen town/gown relations. Tax exemptions, given to colleges and universities as well as to non-profit hospitals, schools and cultural organizations, come about in recognition of the long-standing recognition that such institutions serve the public good by enhancing the education, health and general welfare of a state's citizenry.

While the tax exemption is common in all states, Connecticut's response to it is not. Connecticut's payment in lieu of taxes program is one of a handful in the nation. In almost every other state, there is no state payment to towns for the revenue that would have otherwise come in from tax-exempt institutions. In Connecticut, we have long valued the fact that colleges, universities and hospitals benefit everyone residing here and not just those who happen to live in the particular city or town in which such an institution is located. In addition to the degrees awarded, they are usually the largest employers in a town and they open their sport venues, stages, museums and lecture halls to town residents, while their students volunteer in area schools, health and social service agencies and the colleges invest in key downtown properties to bring jobs and taxes to the area and/or pay substantial voluntary payments or permitting fees.

Governor's Scholarship- 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 has skyrocketed, state aid has been significantly decreased in the past few years. The proposed increase begins to rebuild the program. Connecticut needs its high school graduates to pursue higher education if we are to have a highly-qualified workforce to meet the needs of our employers. This proposed increase sends a great signal to Connecticut students that we will help to support those who cannot afford to do this on their own.

In reviewing how the program worked in its first year, our financial aid directors have noted that the following would increase its impact and allow for a smoother operation for both students and aid officers:

Changes that may be done administratively or through legislation:

1. Allow for the EFC (expected family contribution) to be determined at a fixed date and time for the year. OHE could work with Financial Aid directors on how to do this (perhaps just follow the Pell program rule). It would avoid the need for financial aid directors to have to constantly monitor specific EFC levels throughout an academic year and after money is awarded and students have completed classes.

2. Grant financial aid directors some flexibility by allowing them to award UP TO the maximum grant award that is set for the need-based grants.
3. Increase the maximum need-based aid grants that may be awarded to at least $4000 for full-time students and $1,000 for part-time students.
4. To reduce the administrative burden on financial aid directors and confusion for students, eliminate the cliffs/steps:
    a. Part-Time status should be defined as students with an EFC of below $11,000 who take less than 12 credits.
    b. Full-Time status should be defined as students with an EFC of below $11,000 who take 12 or more credits.

Change that requires legislation:

5. Strike the restriction that allows students to receive either a need-based award or a merit/need-based award so as to allow the best and brightest needy students to receive both as they were able to do in the past.

We look forward to working with the Higher Education Committee and the Malloy Administration to make sure that the program is run as effectively as possible and that the increased funds are well spent.