



STATE OF CONNECTICUT

Office of Higher Education

Testimony
by
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before the
Higher Education and Employment Advancement Committee
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Senator Bartolomeo, Representative Willis, Senator Flexer, Representative Lopes, Senator Witkos, Representative Betts, and distinguished members of the Higher Education and Employment Advancement Committee, thank you for the opportunity to offer testimony regarding H.B. No. 5332 (RAISED) AN ACT CONCERNING THE GOVERNOR'S SCHOLARSHIP PROGRAM. This Act proposes to make changes to the Governor's Scholarship Program, namely the removal of the merit component of the awards – the State's only means of recognizing student achievement. For this reason, among other concerns, I am testifying today in opposition to this bill.

The Governor's Scholarship Program (GSP) is comprised of three distinct components, the need-based award, the need-merit award and the academic incentive award. It should be emphasized that *all* GSP awards are based in whole or in part, on need. There are no awards given to any students who have an Estimated Family Contribution (EFC) of more than \$10,999. All three components are integral to helping students afford, succeed and complete college on-time as no one element can accomplish these important state and national policy goals independent of each other.

The Need-Merit Award, which this bill seeks to eliminate, provides awards to students based on both financial need and high school academic performance. The financial need determination is identical to the need-based award component and is the *first* eligibility

requirement a student must meet. The second eligibility requirement is their high school academic performance. During FY 2015, \$8,572,020 was awarded to 2,688 needy Connecticut scholars. For many students, the Need-Merit Awards provides the final bridge to making attainment of their degree possible, as noted by a University of Saint Joseph student at the Appropriations hearing two weeks ago and summarized in the attachment to our testimony.

The Academic Incentive Award, which also would be eliminated in this bill, is awarded to college students who are Connecticut residents attending Connecticut universities and colleges, and provides an additional need-based grant award to any previous need-based grant recipient who completes a total of 30 credits in the prior year and has a competitive GPA. This award boosts the ability of Connecticut's brightest and neediest students to complete their degree on-time. During FY 2015, \$746,000 such awards helped 697 needy college scholars.

For more than 30 years, there has been a merit component to State of Connecticut financial aid programs in order to encourage and reward academic success among our students, and Connecticut is not alone. According to the 2014 National Association of State Student Grant and Aid Programs (NASSGAP) Annual Survey of state financial aid programs, 43 states have merit-based aid programs, including our neighboring states of Massachusetts and Vermont. At the federal level, the President's budget proposal calls on the U. S. Department of Education to implement an On-Track Pell Bonus, which would give qualified students a \$300 reward for taking 15 credit hours per semester instead of 12. This concept is identical to the Governor's Scholarship Academic Incentive Award component.

At the most recent meeting of Connecticut's Higher Education Planning Committee Student Financial Aid Working Group, Nate Johnson, a Policy Leader with the Lumina Foundation Strategy Labs, pointed out that there is abundant recent research which shows the

overwhelming success of incentive-based award programs which reward student achievement. In fact, Connecticut's public and private colleges and universities have demonstrated the necessity of merit-based aid. In particular, Connecticut's independent institutions have reported that they award more than 50% of their own institutional aid in the form of non-need based aid.

Finally, in the interest of fairness to students as our top priority, we support the current system of awarding students a uniform, flat amount that they may apply toward tuition at any Connecticut institution, rather than allowing institutions to award need-based grants of varying amounts up to \$4,500. One of the primary purposes of the Governor's Scholarship Program is to ensure all eligible students are offered a fair and equitable award, no matter the type of institution they attend. This student-centered focus is a core feature of the Governor's Scholarship Program, and the driving force behind the state's first reform of its student financial aid system in 30 years.

Evidence points to the fact that encouraging students to achieve greater educational goals is met with positive results. Connecticut's own experience has shown similar result – that the combination of need and merit-based aid awarded fairly to all students, regardless of their institution, is the best way of attracting and retaining high quality students in our state. I strongly urge you to allow our student-centered, very effective model to continue, and reject this bill.

Governor's Scholarship Need-Based Grant

- This award component provides for a fair and equitable student award process which was lacking under the previous state grant programs.
- Students with like EFC's are eligible for the same award amount regardless of the college or university they attend. Prior to the implementation of the Governor's Scholarship Program students did not know what their award would be because the colleges and universities could arbitrarily set the award amount.
- Starting in October, 2016 the U. S. Department of Education will implement the early FAFSA process. The GSP guaranteed annual award amount allows the state to meet the President's expectation that students will know early on what aid they will receive.
- The guaranteed state award helps prevent individual colleges and universities from using state funds as an enrollment management tool.

Actual Student Examples: In 2012-13, the last year of the CICSG/CAPCS programs, three students at a private university, each with a \$0 EFC, received the following CICSG awards:

Student A \$1,000

Student B \$2,765

Student C \$6,000

Three students at a public university, each with a \$0 EFC, received the following CAPCS awards:

Student A \$ 300

Student B \$1,000

Student C \$3,000

2015-2016 Governor's Scholarship Annual Award Matrix

4 Year Program Full-Time*	<u>EFC Range</u>	<u>Need Based</u>
	0.00-6,999	\$3,000
	7,000-8,999	\$2,500
	9,000-10,999	\$2,000
2 Year Program Full-Time*	0.00-5,198	\$3,000
	5,199-5,999	\$2,500
	6,000-6,499	\$2,000
	6,500-6,999	\$1,500
	7,000-7,999	\$1,000

Governor's Scholarship Need-Merit Scholarship

- This award component provides Connecticut's neediest, highest academic achieving students a guaranteed award amount regardless of the college or university they choose to attend.
- To qualify, students must first meet the same EFC range as those students who are given a GSP need-based grant. If a student has the academic requirements, but has a high EFC they do not receive an award.
- These awards recognize to the academic performance students achieved in high school. This type of recognition is a critical success component in the college bound decision process of students and families, particularly first generation students.
- Recognizing academic performance is a proven enrollment strategy for all 4 year public and private institutions. For example, in 2014-15 Connecticut's private institutions awarded a total of \$165,494,244 in institutional aid to residents of Connecticut. Of that total, \$84,741,392 was awarded as non-need based funding. This speaks to the importance those schools place on awarding student achievement over student financial need.

Actual Student Example: An Hispanic student from University of Saint Joseph testified at the Appropriations Public Hearing that she could not have made it to her third year of her BSN without the \$5,000 GSP need-merit award she was given.

2015-2016 Governor's Scholarship Annual Award Matrix

4 Year Program Full-Time	<u>EFC Range</u>	<u>Need Merit</u>
	0.00-6,999	\$5,000
	7,000-8,999	\$4,500
	9,000-10,999	\$4,000
2 Year Program Full-Time	0.00-5,198	\$3,500
	5,199-5,999	\$3,000
	6,000-6,499	\$2,500
	6,500-6,999	\$2,000
	7,000-7,999	\$1,500

Governor's Scholarship Academic Incentive Award (AIA)

- This award component provides a financial incentive for students to complete their degrees in a timely manner along with good academic achievement.
- The President's budget proposal calls for the U. S. Department of Education to implement an On-Track Pell Bonus, which would give qualified students a \$300 reward for taking 15 credit hours per semester instead of 12. This concept is identical to the GSP AIA.
- The AIA funds are added to the GSP need-based grant the student already receives, thus rewarding them for their decision to complete their degree on time.
- At the most recent meeting of the state's Higher Education Planning Committee Student Financial Aid Working Group, Nate Johnson, a Policy Leader with the Lumina Foundation Strategy Labs pointed out that there is lots of recent research which shows incentive based award programs which reward student controlled achievement are very successful.

Actual Student Example: A student at the University of Connecticut completed 30 credits in 2014-2015 and was awarded a \$1,200 AIA in addition to their need-based GSP award of \$2,500, giving them total state grant dollars of \$3,700.