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**Testimony for the
Higher Education and Workforce Advancement Committee of
Jennifer Widness, President
Connecticut Conference of Independent Colleges
February 25, 2016**

On behalf of the Connecticut Conference of Independent Colleges, I am submitting testimony in favor of **HB 5332, An Act Concerning the Governor's Scholarship Program**, which seeks to make some important adjustments to the Governor's Scholarship Program to simplify the program, make it more predictable, flexible, fair and transparent.

First, I want to thank Representative Roberta Willis for convening the Student Financial Aid Working Group this fall. This group, composed of representatives from public and private institutions of higher education, was tasked with reviewing the state's student financial aid programs, both merit and need based, in the context of the Planning Commission's goals. Immediately upon convening, it became evident that members of the group from both sectors shared common ground with concerns over the Governor's Scholarship Program (GSP). This bill reflects those shared concerns and seeks to fix the challenges institutions have faced in the implementation of this new program.

The Governor's Scholarship Program was created in 2013. It consolidated the state's three different financial aid programs, CICS, CAPCS and Capitol Scholarship, into three different funding streams under the GSP program – the need-based program, the need-merit program and the incentive grant program. It sought to provide better predictability so students would know exactly what they are eligible for, based on enrollment status and their estimated family contribution (EFC), no matter where they enrolled. Further, it sought to focus funding on the neediest students in this state and retain the best and brightest students. It also afforded OHE great discretion to determine the formula and criteria for allocations, the grant award amounts (see Fig. 1) and how much funding should be allocated between the three funding streams within the program.

While laudable goals, the program falls short as currently designed. As such, this bill proposes the following changes:

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

- **Simplify:** Eliminate the multiple funding streams (need-based program, need-merit program, and the incentive grant program) into a single need-based aid program and retain the stand-alone Charter Oak grant program. The need-merit and incentive portions of the grant are not administered so as to retain our best and brightest students, as they do not actually receive the awards until long after enrollment decisions have been made. The need-merit program is allocated based solely on where that student puts as their #1 choice on the FAFSA. If a student does not enroll in their #1 FAFSA choice but goes elsewhere in state, they do not get the grant. This state has the third worst attainment gap in the nation between whites and minorities (see Fig. 2) Closing this gap with need-based aid must be the sole focus of our state's financial aid programs.
- **Timely:** Use prior, prior year data for the purpose of the need-based aid allocation formula so that institutions will know approximately what share of the GSP funding they will receive by October 1 for the following year. This will allow institutions the opportunity to make grant awards when students are making enrollment decisions.
- **Flexible:** Eliminate the sliding scale award matrix and sets a maximum grant award of \$4,500 and a maximum estimated family contribution of \$11,000 while also allowing institutions the ability to award *up to* \$4,500. This will ensure that the neediest students in the state remain the focus of the program while also giving institutions some flexibility in the award amounts to maximize funding. There is simply not enough funding for a rigid award matrix. Students may be eligible to receive a certain amount but they have zero guarantee of receiving that amount given the lack of funding. In addition, if funding is cut, an institution has no flexibility to reduce the award but must cancel it all together.
- **Fair:** Increase eligibility for part-time students by allowing students that take as little as 3 credits to receive a grant award (currently the minimum is six) and increase the award amounts that they are eligible to receive by allowing institutions to pro-rate their grant awards based on the number of credits they are taking. For example, a student taking 6 credits will be eligible for up to 50% of the \$4,500 grant – or \$2,250. Currently a student taking 6 credits is eligible for only \$650.
- **Transparent:** Require OHE to publish the aggregate data as to the number of full-time equivalent CT students each institution serves with an EFC less than \$11,000 and the anticipated percentage share of the funding that each institutions will be eligible to receive, by October 1. Currently, only OHE has any sense of how many eligible students each institution serves and the formula used to calculate the allocations. Allocations are not made until August, just weeks before the school year starts, so schools are left in the dark until that time.

As noted above, OHE has discretion to determine funding levels for the three different programs within GSP. This has posed significant challenges, especially for students attending the independent colleges. This year, for example, OHE prioritized funding the need-merit component of the program fully, grow the incentive component by 160%, and cut the need-based component of the program by \$3.6 million, from just one year to the next, despite only a small cut to the total funds allocated. In fact, funding for GSP was higher in FY 16 than it was in FY 14, the first year of the program. (see Fig.'s 3 & 4)

The impact on students attending independent colleges in Connecticut was significant. Need-based aid was reduced by nearly \$5 million or 40%, in just one year (see Fig. 5). To complicate things even more so, notification of these reductions was not received until early August, just weeks before the semester began.

This bill seeks to establish some tighter controls on all of these components to benefit students and institutions.

Figure 1

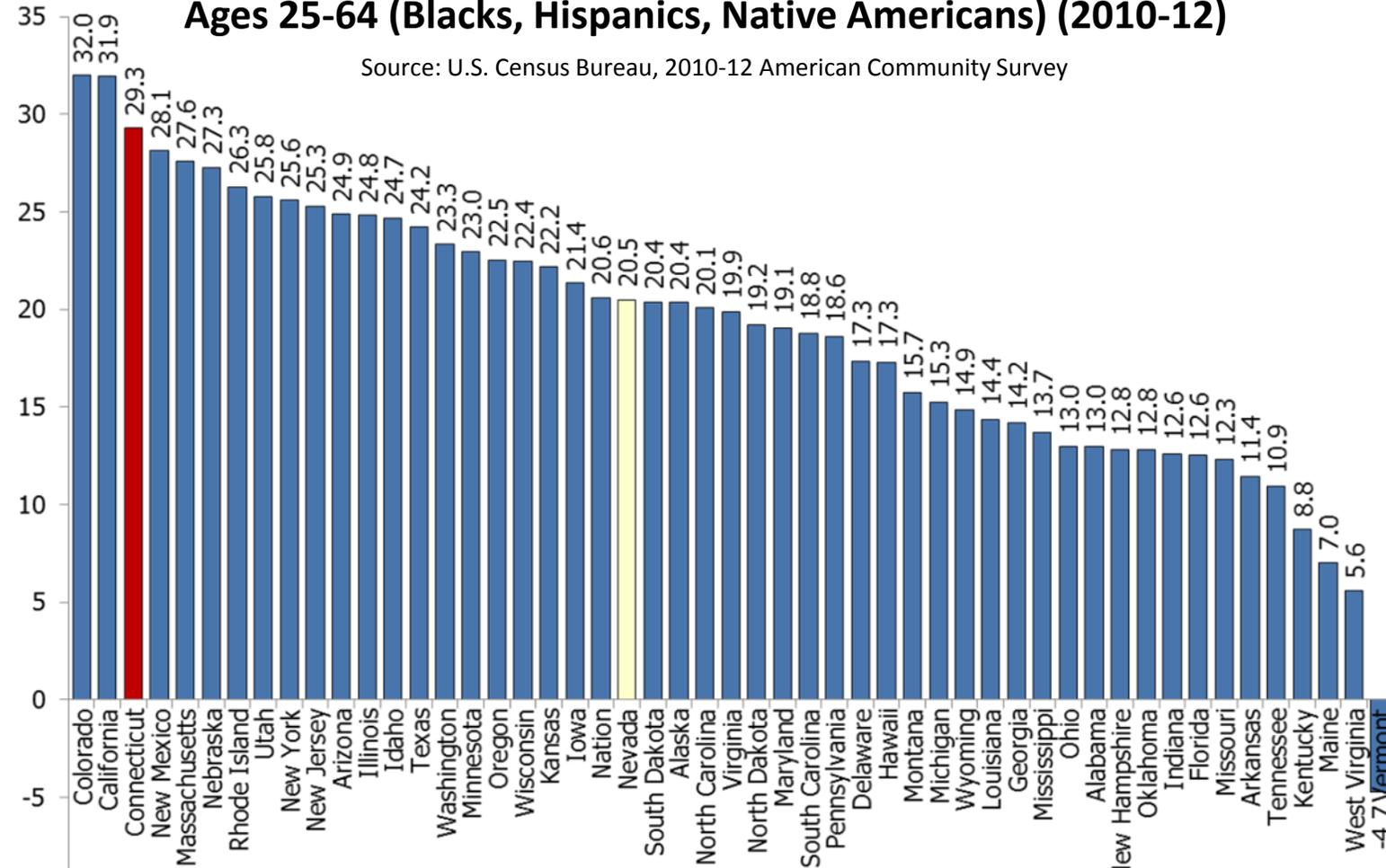
Award Matrix

	EFC Range	Need Based Annual Award Amount*	Need-Merit Annual Award Amount
4 Year Program Full-Time*	0.00-6,999	\$3,000	\$5,000
	7,000-8,999	\$2,500	\$4,500
	9,000-10,999	\$2,000	\$4,000
2 Year Program Full-Time*	0.00-5,157**	\$3,000	\$3,500
	5,158-5,999	\$2,500	\$3,000
	6,000-6,499	\$2,000	\$2,500
	6,500-6,999	\$1,500	\$2,000
	7,000-7,999	\$1,000	\$1,500
<p>* For Pell recipients, subtract Pell award from tuition + fees + \$1,000 books/supplies. Any positive remaining amount can be awarded in GSP Need-Based grant up to \$3,000.</p> <p>** The 0.00 EFC range applies to the Need-Merit award only. Need-Based awards in this EFC range will be determined by subtracting any Pell Grant eligibility from the students tuition, fees and books & supplies (\$1,000). As a result of this formula, any remaining amount a student may have can be awarded in Need-Based grant.</p>			
4 Year Program Part-Time 6-8 Credits	0.00-10,999	\$650	\$800
4 Year Program Part-Time 9-11 Credits	0.00-10,999	\$900	\$1,000
2 Year Program Part-Time 6-8 Credits	0.00-7,999	\$650	\$800
2 Year Program Part-Time 9-11 Credits	0.00-7,999	\$900	\$1,000

Fig. 2

Difference in College Attainment Between Whites and Minorities, Ages 25-64 (Blacks, Hispanics, Native Americans) (2010-12)

Source: U.S. Census Bureau, 2010-12 American Community Survey



Funding for State Financial Aid Programs: FY 07 - FY 16

Source: OFA Budget Books & OHE

Fig. 3

- Governor's Scholarship Program - Public College Allocation
- Governor's Scholarship Program - Private College Allocation
- Capitol Scholarship Program
- CT Aid for Public College Students (CAPCS)
- CT Independent College Student Grant (CICSG)

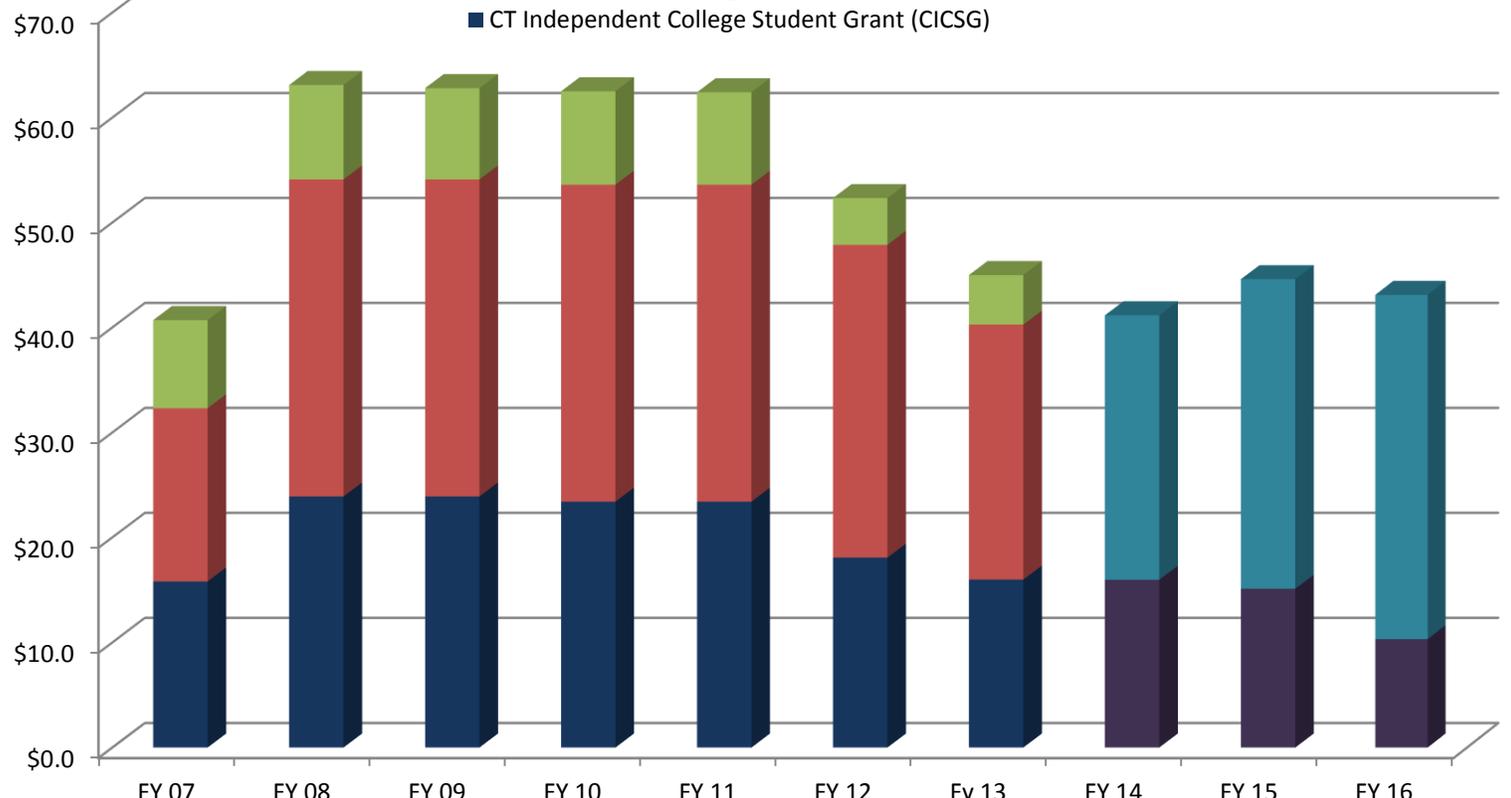
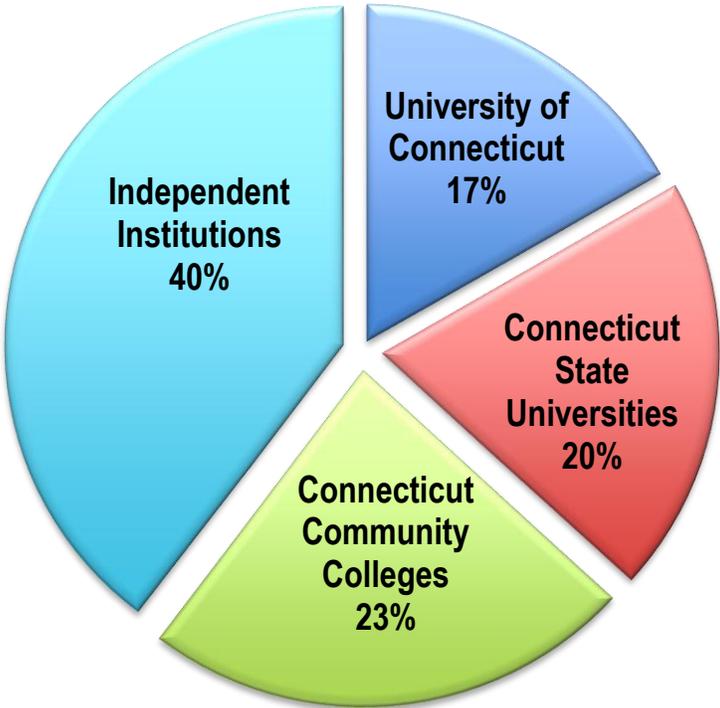


Figure 4

Distribution of State Financial Aid in CT: FY 13 vs. FY 16

2012-2013 (CICSG/CAPCS)

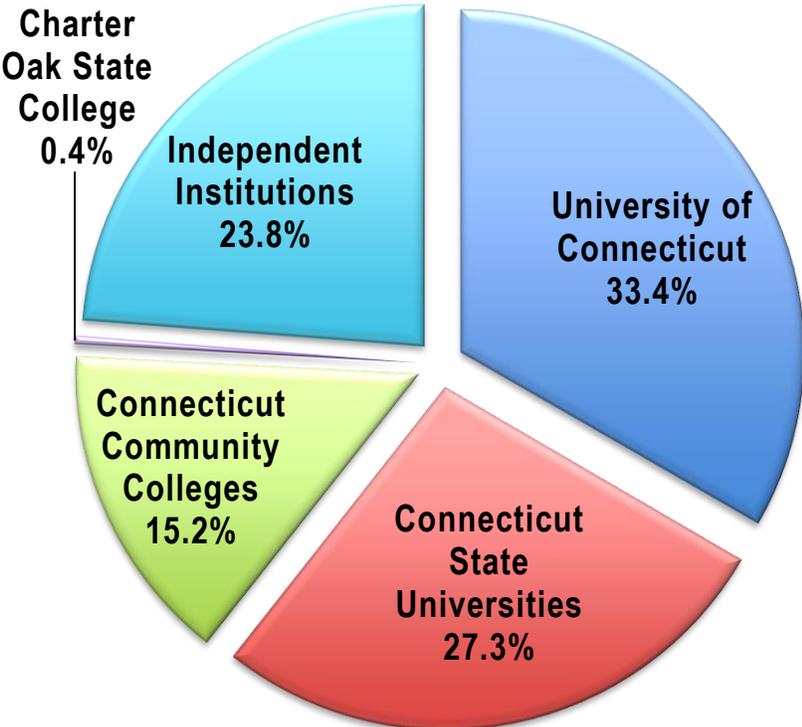
Total Awarded: \$40.2 million



2015-2016 (Governor's Scholarship Program)

Program)

Total Awarded: \$43.1 million



Source: [Governor's Issue Brief from FY 14- FY 15 Proposed Budget](#)

Source: [CT Office of Policy and Management](#)

Figure 5

Governor's Scholarship Program Funding: FY 15 v. FY 16

	FY 15 GSP Need- Based Aid	FY 16 GSP Need- Based Aid	Diff.	FY 15 GSP Need- Merit Awards	FY 16 Need- Merit Awards	Diff.	FY 15 Incentive Grant	FY 16 Incentive Grant	Diff.	Total FY 15	Total FY 16	Diff.
Albertus Magnus	\$1,547,395	\$977,671	-36.82%	\$87,700	\$85,500	-2.51%	\$16,400	\$44,000	168%	\$1,651,495	\$1,107,171	-33%
Connecticut College	\$127,093	\$75,208	-40.82%	\$123,700	\$98,500	-20.37%	\$3,300	\$10,800	227%	\$254,093	\$184,508	-27%
Fairfield University	\$770,806	\$483,017	-37.34%	\$374,050	\$324,500	-13.25%	\$20,200	\$43,200	114%	\$1,165,056	\$850,717	-27%
Goodwin College	\$1,765,029	\$901,349	-48.93%	\$12,000	\$19,000	58.33%	\$1,100	\$3,600	227%	\$1,778,129	\$923,949	-48%
Mitchell College	\$401,447	\$210,727	-47.51%	\$14,000	\$0	-100.00%	\$4,900	\$15,600	218%	\$420,347	\$226,327	-46%
Quinnipiac University	\$871,680	\$705,000	-19.12%	\$394,700	\$420,000	6.41%	\$21,100	\$25,200	19%	\$1,287,480	\$1,150,200	-11%
Sacred Heart University	\$1,089,506	\$705,359	-35.26%	\$233,400	\$281,000	20.39%	\$25,100	\$45,600	82%	\$1,348,006	\$1,031,959	-23%
St. Vincent's College	\$229,579	\$92,237	-59.82%	\$15,000	\$15,000	0.00%	\$0	\$0	0%	\$244,579	\$107,237	-56%
Trinity College	\$232,842	\$157,937	-32.17%	\$67,350	\$53,500	-20.56%	\$2,800	\$8,400	200%	\$302,992	\$219,837	-27%
University of Bridgeport	\$1,174,129	\$792,493	-32.50%	\$154,350	\$159,000	3.01%	\$10,500	\$32,400	209%	\$1,338,979	\$983,893	-27%
University of Hartford	\$1,470,635	\$911,076	-38.05%	\$413,750	\$387,500	-6.34%	\$39,000	\$82,800	112%	\$1,923,385	\$1,381,376	-28%
University of New Haven	\$1,588,950	\$783,524	-50.69%	\$433,450	\$427,000	-1.49%	\$36,500	\$90,000	147%	\$2,058,900	\$1,300,524	-37%
University of St. Joseph	\$700,318	\$383,524	-45.24%	\$173,700	\$220,500	26.94%	\$13,900	\$22,800	64%	\$887,918	\$626,824	-29%
Wesleyan University	\$146,372	\$99,873	-31.77%	\$91,500	\$67,500	-26.23%	\$2,300	\$0	-100%	\$240,172	\$167,373	-30%
Yale University	\$42,013	\$0	-100.00%	\$182,000	\$67,500	-62.91%	\$2,200	\$0	-100%	\$226,213	\$67,500	-70%
TOTAL	\$12,157,794	\$7,278,995	-40.13%	\$2,770,650	\$2,626,000	-5%	\$199,300	\$424,400	113%	\$15,127,744	\$10,329,395	-32%
University of Connecticut	\$6,579,957	\$7,990,520	21%	\$5,013,250	\$6,168,277	23%	\$69,700	\$232,800	234%	\$11,593,226	\$14,391,597	24%
Southern CT State University	\$3,488,668	\$3,655,594	5%	\$722,250	\$773,016	7%	\$39,600	\$127,200	221%	\$4,210,937	\$4,555,810	8%
Central CT State University	\$3,344,159	\$3,395,145	2%	\$1,061,200	\$1,062,000	0%	\$23,000	\$58,800	156%	\$4,405,378	\$4,515,945	3%
Eastern CT State University	\$784,531	\$405,824	-48%	\$528,500	\$681,000	29%	\$27,100	\$28,800	6%	\$1,313,050	\$1,115,624	-15%
Western CT State University	\$1,563,238	\$1,229,760	-21%	\$353,400	\$295,478	-16%	\$13,700	\$50,400	268%	\$1,916,657	\$1,575,638	-18%
TOTAL	\$9,180,596	\$8,686,323	-5%	\$2,665,350	\$2,811,494	5%	\$103,400	\$265,200	156%	\$11,845,965	\$11,763,017	-1%
Asnuntuck Community College	\$177,017	\$162,813	-8%	\$2,000	\$7,000	250%	\$500	\$12,000	2300%	\$179,036	\$181,813	2%
Capital Community College	\$370,712	\$380,036	3%	\$54,750	\$73,500	34%	\$1,100	\$2,400	118%	\$425,481	\$455,936	7%
Gateway Community College	\$828,270	\$833,380	1%	\$92,300	\$93,550	1%	\$1	\$8,400	839900%	\$920,589	\$935,330	2%
Housatonic Community College	\$576,379	\$563,020	-2%	\$81,700	\$132,500	62%	\$1	\$4,800	479900%	\$658,098	\$700,320	6%
Manchester Community College	\$756,199	\$767,798	2%	\$97,500	\$168,500	73%	\$1,800	\$8,400	367%	\$853,718	\$944,698	11%
Middlesex Community College	\$283,455	\$318,197	12%	\$35,450	\$26,500	-25%	\$1	\$7,200	719900%	\$318,924	\$351,897	10%
Naugatuck Valley Community College	\$671,997	\$715,901	7%	\$123,550	\$160,000	30%	\$1,100	\$8,400	664%	\$795,566	\$884,301	11%
Northwestern CT Community College	\$116,976	\$130,055	11%	\$24,350	\$43,500	79%	\$600	\$3,600	500%	\$141,345	\$177,155	25%
Norwalk Community College	\$501,151	\$575,112	15%	\$15,650	\$21,000	34%	\$1,800	\$7,200	300%	\$516,820	\$603,312	17%
Quinebaug Valley Community College	\$179,749	\$205,349	14%	\$61,600	\$69,800	13%	\$1	\$1,200	119900%	\$241,368	\$276,349	14%
Three Rivers Community College	\$449,813	\$465,459	3%	\$50,750	\$82,000	62%	\$600	\$8,400	1300%	\$500,582	\$555,859	11%
Tunxis Community College	\$389,025	\$412,245	6%	\$40,000	\$56,300	41%	\$600	\$3,600	500%	\$429,044	\$472,145	10%
TOTAL	\$5,300,743	\$5,529,365	4%	\$679,600	\$934,150	37%	\$8,104	\$75,600	833%	\$5,980,362	\$6,539,115	9%
Charter Oak State College	\$124,400	\$168,055	35%	\$1,350	\$3,000	122%	\$0	\$0	0%	\$125,769	\$171,055	36%
Grand TOTAL	\$33,343,490	\$29,653,258	-11%	\$11,130,200	\$11,608,771	4%	\$380,504	\$998,000	162%	\$44,673,066	\$43,194,179	-3%

Data collected from the Office of Higher Education.