



Sacred Heart UNIVERSITY

Testimony for
The Higher Education and Employment Advancement Committee
by Julie Savino, Executive Director, University Financial Assistance
Sacred Heart University
February 25, 2016

On behalf of Sacred Heart University, I am submitting testimony in favor of HB 5332, AN ACT CONCERNING THE GOVERNOR'S SCHOLARSHIP PROGRAM, which seeks to make some critically important adjustments to the Governor's Scholarship Program to simplify the program, make it more predictable, flexible, fair and transparent.

I want to thank the Committee for raising this bill. Since the inception of the Governor's Scholarship Program in 2013, we have faced a number of challenges in its implementation, and this bill will remedy those issues through four key elements while still ensuring the goal of the program—to provide access and opportunity to the neediest students in this state.

FIRST Simplification. The bill seeks to consolidate three different funding streams of the Governor's Scholarship Program (GSP)—the Governor's (need/merit-based) Scholarship Program, The Governor's (need-based) Scholarship Program and the Governor's (need-based) Academic Incentive Award—into a single Governor's (need-based) Scholarship Program. The ability to consolidate these funding streams will allow our State's colleges and universities to serve a greater number of economically disadvantaged students and encourage them to enroll within their state of residence.

The current need-based program is administered at the institutional level. A student's enrollment status, cost of education, financial need and other federal, institutional and private financial assistance awards are evaluated. Need-based grants are awarded to eligible students according to the program guidelines. While the intentions of the need/merit-based program are compelling, the administration of the program has been problematic. This is largely a result of the Office of Higher Education's (OHE) reliance on the FAFSA to make the awards. Scholarship amounts are determined based on what Connecticut school a student lists first on the FAFSA. Students who are eligible may not have been given consideration if they did not put a Connecticut institution first on the FAFSA. If students were aware of the availability of the award through an institution's packaging process when making their enrollment decision in the spring for the upcoming academic year, they may choose to remain in Connecticut for their education. Instead, awards are realized once enrollment is verified via a Matriculation List to the college or university in late summer. Institutions award the need/merit-based award for those enrolled and return information on those not enrolled. If the enrolled student is already a recipient of the need-based program, that award is cancelled to comply with program



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guidelines. Essentially, for students who did not enroll in that institution, OHE has held off awarding funds for that eligible student or others. To further complicate the awarding process, OHE will not be able to see the full list of institutions on the FAFSA starting with the 2016-2017 award year. The Academic Incentive Award also has been problematic. While the intention was to encourage student retention and completion, the student notification for the award comes much too late (mid fall semester) for a student who is at financial risk to persist. The GPA threshold also makes it difficult to predict eligibility for a GSP recipient from one year to the next.

SECOND Predictability. This bill proposes to use prior, prior year data for the purpose of the formula for allocations, so institutions will know what share of the GSP funding they will receive by October 1 for the following academic award year.

Currently, OHE receives data on GSP recipients from the prior academic year in June. They determine allocations for the need-based portion of the grant in July. Institutions are not notified of their allocations until late July/early August of the given award year. Given significant fluctuations in funding each year, institutions need to have some sense of their share of the funding in advance. Advanced knowledge (using prior, prior year) will allow institutions to determine if they can make awards to new students. New-student awards typically occur in the months of January through May for the upcoming academic year. Experience has shown that our neediest students who are making decisions based on the affordability of higher education within their home state need to understand their eligibility for GSP months in advance of enrollment, not weeks.

THIRD Flexibility and Fairness. This bill sets a maximum grant award of \$4,500 for students with a federal estimated family contribution (EFC) of less than \$11,000. Institutions will be allowed to award up to that amount. Part-time students would be eligible for an amount that is prorated based on enrolled credits up to fifty percent of the maximum grant.

Currently, the OHE issues award matrixes by EFC band and award amount that are separated for two-year and four-year programs, full-time and part-time. Students may only receive the set award amount, nothing more or nothing less. The lack of flexibility is problematic for students. First, if funding is cut, institutions must rescind entire awards not just reduce funding proportionately. Secondly, if a qualified student has a gap in need less than the set grant award, they cannot receive a GSP award. While the concept of the award matrix was intended to provide predictability for students—those in college as well as those who aspire to higher education—GSP is not an entitlement program that is funded for every student who meets the qualifications the way the federal Pell Grant is. Based on current appropriations and allocations by institution, our neediest students



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are not assured they would ever receive a grant or continue to receive a grant from one year to the next.

Fair treatment of part-time students is also a concern. Currently, only those students taking 6-11 credits are eligible for GSP. The amount of the award is only a few hundred dollars, making it impossible for some of our neediest (financial and otherwise) to seek higher education opportunities. This bill looks to make students taking as little as three credits eligible for a grant. The amount would be based on the number of enrolled credits. For example, a student taking 6 credits will be eligible for up to 50% of the \$4500 grant or \$2,250.

FOURTH Transparency. This bill requires OHE to publish aggregate data each year, by institution, as of October 1. Each institution will be evaluated based upon full-time equivalent (FTE) Connecticut students with need (Federal EFC less than \$11,000) compared to the whole and the percentage share of the funding each is eligible to receive.

Currently, only OHE has any sense of how many eligible students each institution serves and the formula used to calculate the allocations. Independent institutions received cuts across the board last year with no clear understanding of the data to support the calculation.

Directly related to Sacred Heart University, our institution's allocation has already been reduced by \$690,613 (in 2013, we received \$1,395,972; in 2015, we received \$705,359) or 49.48 percent since 2013 when the GSP was created. In 2012, we received \$1,586,206 in need-based aid. This year we received \$705,359 in need-based aid. In 2012, we were able to award money to 579 needy Connecticut residents. This year, we made awards to 253 students, leaving 476 enrolled students whose federal EFC is less than \$11,000 without an award.

The decline of our allocation did not allow Sacred Heart University to extend any offers for need-based grant assistance to potential new students for the first time since 1973. Unfortunately, 761 Connecticut students accepted for admission in the fall 2015 with a federal EFC of less than \$11,000, did not enroll.

In the past, the legislature has recognized the critical need for student aid to improve access to a college education. The Governor's Scholarship Program is a critical source of grant assistance helping Connecticut students who lack the resources to go to the college of their choice in Connecticut, and we want to thank the State Legislators for that support.



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Working together toward a well-administered program with sufficient funding, we will continue to keep the greatest number of higher education options open for the state's most needy students—to attend either an in-state private college or the Connecticut state school of their choice.

Thank you.