Testimony for the
Higher Education & Employment Advancement Committee
Jennifer Widness, President
Connecticut Conference of Independent Colleges
Thursday, February 14, 2019

On behalf of the Connecticut Conference of Independent Colleges (CCIC), I am submitting testimony on three bills before you today.

First, H.B. 6472, AN ACT ESTABLISHING A TAX CREDIT FOR GRADUATES OF INSTITUTIONS OF HIGHER EDUCATION IN THE STATE, seeks to establish a personal income tax credit for graduates with a bachelor’s or associate degree from a public or independent nonprofit institution of higher education who live in the state and H.B. 6891, AN ACT CONCERNING A DEDUCTION FROM THE PERSONAL INCOME TAX FOR STUDENT LOAN INTEREST, seeks to provide tax relief to persons paying student loan interest by establishing a deduction from the personal income tax for student loan interest.

CCIC supports both these bills that seek to lighten the burden of student debt on state residents and incentivize more young people to stay in Connecticut upon completion. Many states in the region are examining similar proposals such as these so we are pleased that Connecticut lawmakers are following suit.

Of note, CCIC’s member institutions have invested significantly in institutional grant aid over the past ten years to keep borrowing levels nearly flat and keep our net price affordable for families making less than $75,000 a year. At the same time, due to budget constraints, the state has made dramatic cuts in state financial aid for Connecticut residents that attend Connecticut independent colleges. Connecticut lags much of the nation in its investment in financial aid and we have a high percentage of unmet need. See Figures 1-8. It’s important that lawmakers prioritize investments in state financial aid as well as tax credits in order address the issue of debt and affordability.

Next, S.B. 750: AN ACT CONCERNING THE PREVENTION AND TREATMENT OF MENTAL ILLNESS AT INSTITUTIONS OF HIGHER EDUCATION, seeks to require institutions of higher education establish programs for the prevention and treatment of mental illness for undergraduate and graduate students. The scope of this proposed bill is unclear. Higher education institutions in Connecticut are aware of the dramatic increase in the need for mental health services on college campuses over the past ten years and have responded accordingly. All our member institutions offer a wide range of prevention programs and treatment options at both residential and non-residential campuses. We look forward to working with the proponents of this bill on this issue.
Average Student Loan Borrowing as compared to Average Institutional Aid Awarded at CCIC Member Institutions 2008-09 through 2015-16

Source: IPEDS

- Average amount of student loans awarded to full-time first-time undergraduates
- Average amount of institutional grant aid awarded to full-time first-time undergraduates

- 48.8% increase in Institutional Grant Aid
- 1.5% increase in Student Loan Borrowing
Figure 3

Funding for State Financial Aid Programs: FY 10 - FY 19

Source: OFA Budget Books & OHE

- CT Independent College Student Grant (CICSG)
- Independent College Allocation - GSP/RWSP
- CT Aid for Public College Students (CAPCS)
- Public College Allocation - GSP/RWSP
- Capitol Scholarship Program (merit)
State Grant Expenditures as a Percentage of State Fiscal Support for Higher Education Operating Expenses, by State: 2016-17

Source: National Association State Student Grant Aid Program (NASSGAP)

40 other states spend a greater percentage of state funding for higher education on student aid.
Estimated Undergraduate State Grant Dollars per Undergraduate Enrollment, by State: 2016-17

Source: National Association State Student Grant Aid Program (NASSGAP)

CT's investment in student aid per enrolled undergraduate student lags the national average.

Figure 6
CT ranks towards the bottom in the number of awards granted, per FTE student enrolled.
A recent analysis by the Hechinger Report found that 80% of CT students that are eligible to receive the state grant are unfunded. This is the 4\textsuperscript{th} highest unmet need in the country.

Source: [Hechinger Report](http://www.hechingerreport.org)