

Higher Education and Employment Advancement Committee

JOINT FAVORABLE REPORT

Bill No.: HB-5128

AN ACT REQUIRING DISCLOSURE OF SCHOLARSHIP DISPLACEMENT

Title: POLICIES AT INSTITUTIONS OF HIGHER EDUCATION.

Vote Date: 2/29/2024

Vote Action: Joint Favorable

PH Date: 2/22/2024

File No.:

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SPONSORS OF BILL:

Higher Education and Employment Advancement Committee

REASONS FOR BILL:

This bill requires each higher education institution in the state of Connecticut to disclose their policy on scholarship displacement in the initial financial aid package offered to each prospective or current student, and no later than January 1, 2025, in a report submitted to the Higher Education and Employment Advancement Committee. Without the disclosure of scholarship displacement policies, low-income students are forced to use their own limited amount of funds, possibly their parents, take out other types of potentially more predatory loans, or end up not going to college at all. This would allow them to see the policy of the school they want to attend and give them the opportunity to make the best decision for themselves on which school to attend.

RESPONSE FROM ADMINISTRATION/AGENCY:

[University of Connecticut, Assistant Vice President for Enrollment Policies and Strategic Initiatives, Mona Lucas](#): supports this bill and is most willing to disclose their scholarship displacement at the time that student aid offers are released. It states that their existing university protocol regarding treatment of outside financial resources is consistent with federal rules, and it is only in circumstances where the outside financial aid/private scholarship exceeds either the unmet financial need or cost of attendance that they reduce other aid.

NATURE AND SOURCES OF SUPPORT:

[Fairfield County's Community Foundation, President and CEO, Mendi Blue Paca](#): supports this bill stating Connecticut lacks regulation on scholarship displacement, a practice where colleges reduce a student's financial aid according to the amount awarded to them by private scholarships. This disproportionately affects students who rely on needs-based financial aid. This leads to students refraining from reporting or even forgoing scholarships completely. They recommend reviewing financial aid displacement to better understand how policy impacts student and identifying any disproportionately affected groups.

[Willington Scholarship Foundation Dollars for Scholars inc., Board of Directors Member, Dave Gabree](#): supports this bill stating it will let students know how schools in Connecticut will treat their private scholarships. It will allow students who have won significant amounts of funding from private scholarships to consider a college outside scholarship policy when calculating the colleges financial aid award which can greatly affect the decision the student will make in terms of which offer of admission to accept.

[Connecticut General Assembly, 31st Senate District, Senator Henri Martin](#): supports this bill, but is concerned about the language of it. They recommend amending the bill to include language that prohibits institutions from decreasing financial aid or grants awarded due to external scholarships. It states that this proposed amendment would provide necessary protections for students and strengthen the bill.

[Prospective Student, J'Waka Steele](#): supports this bill stating they are looking at possibly going to school in Connecticut.

[Connecticut Conference of Independent Colleges, President, Jennifer Widness](#): stated that they do not oppose providing scholarship displacement policy information to the legislature, but they do have concerns about being mandated to share it with all current and prospective students. They are suggesting that the committee consider simply requiring information be shared with the legislature.

NATURE AND SOURCES OF OPPOSITION:

None expressed.

Reported by: Patrick Buckley

Date: 3/7/2024