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**JOINT  
STANDING  
COMMITTEE  
HEARINGS**

**HIGHER EDUCATION  
AND  
EMPLOYMENT ADVANCEMENT  
PART 2  
369 - 735**

**2012**

REP. WILLIS: That's right.

SENATOR BYE: Okay.

REP. WILLIS: Well I'd get rid of all athletic programs in colleges (inaudible).

SENATOR BYE: Representative Willis is going to have a hearing to get rid of all athletic programs in colleges she said. So you might not be here but I think it might be more crowded than outside.

A VOICE: Representative Stallworth (inaudible).

SENATOR BYE: A tough loss for our lady Huskies last night. It was too bad.

But what I'm going to do now is get started with our public hearing. I see that Secretary Barnes is in the audience and I assume you're a representative of Governor Malloy who is first on our list so I'll call you forward.

Welcome to our Committee Mr. Secretary.

SECRETARY BENJAMIN BARNES: It's a great pleasure. There are -- there are a few committees I haven't touched yet and this is -- it's nice to finally. It's a small committee I have to say, small but mighty.

Well Senator Bye, Representative Willis thank you very much for the opportunity to speak to you today. I am here to speak in support of Senate Bill 28 which is a -- An Act Implementing the Governor's Recommendations Concerning Higher Education.

This bill limits the awards under the Connecticut Independent College Student Grants

know as the CICS program to private institutions with endowments under \$200 million. The Governor's budget reduced funding by 3.8 million and aid would be eliminated to Fairfield University, Quinnipiac University, Trinity College, Wesleyan and Yale. Yale, as you know, has already declined grants for the biennium because of the financial -- the fiscal constraints that the state faces.

By excluding these private institutions we'd have the greatest ability to provide financial aid to their students. We believe that we are able to target the financial aid that we do provide to students in the greatest need who attend the private institutions that have the most limited ability to provide assistance.

In addition to -- to that reduction we've also proposed reallocating \$1 million from the CICS program to establish and attract the best aid and loan forgiveness program for teachers. This is part of our overall K-12 initiative in which we felt it was important to provide additional financial aid and incentives to the best teachers to continue to work in -- in the schools where their assistance is needed the most.

Under that program we would provide grants of up to 500 -- \$5,000 to high achieving students in teacher prep programs and then there would be loan forgiveness up -- up to \$10,000 over four years for those teachers who work in priority school districts or in a school that is a member of the Commissioner's district. These are the - the most -- the most challenged districts.

We think this is an important way to -- to target our aid similar to the minority teacher recruitment program that's already been upgraded

by the -- previously by the Department of Higher Ed and Office of Higher Education so we think that it's an -- an important approach and an important way for us to target our resources at those students who we think can be part of our solutions to our problems with achievement in the K-12 level.

With respect to the overall CICS program, I would point out that we -- that this reflects a -- a -- an over -- an overarching concern that we have that because of the -- the way that the CICS program is structured and the -- and the information that we have about it, we do not feel that we have assurances that the assistance under the CICS program is -- is resulting in lower higher education costs for Connecticut students than they would otherwise achieve and -- and we -- without that assurance we -- we have a difficult time supporting the -- the -- without -- we don't have any -- we don't have any assurances that it's meeting the -- what I believe are the appropriate policy goals of the program to reduce the cost for Connecticut students.

This is because the way that the financial aid is structured we don't have any information that indicates that a -- a student of, you know, of a given family circumstance is -- is receiving \$1,000 or \$2,000 higher package of aid than they would have received had the CICS program been absent, especially in the -- this is especially true in the schools with large endowments.

So we -- we -- it was based on that concern that we -- we thought it was appropriate to ratchet this assistance program back. Candidly we are also facing budget constraints in general. So we would be -- I would be remiss if I didn't point to this -- this is a cut that we would

prefer to have avoid -- we -- we would have preferred to have potentially restructured the program to -- to ensure that our policy goals are met and continue to fund it at its -- at its previous level but as -- this is a -- a response born of our policy concerns as well as fiscal scarcity.

One issue that has come up in this bill has to do with the -- the reports of endowment size. We obviously pay things to that. Since the Governor's bill was finalized, an on-line edition of the Chronicle of Higher Education published a more recent reporting period. Apparently Connecticut colleges' endowment did well in the -- between those two and they now would -- would meet that \$200 million standard.

We are proposing that instead of that we might use self-reported information from the Integrated Postsecondary Education Data System which is an annual survey that -- that all the schools participate in and -- and to pick a particular day on which those -- the -- the reports would be used.

I have no problem with provi -- having that day be sufficiently early that -- that no school would be left with a reduction in their -- in this -- in their aid budget without, you know, without timing that so that it would -- they -- they could accommodate that within their -- the aid awards that they give out.

In addition we are proposing in the bill that the Office of Financial and Academic Affairs annually collect data and report on trends relating to Connecticut higher education. This was a reporting obligation of the Department of Higher Education, the predecessor agency, and we think that it's appropriate to ensure that this

continuous -- that this -- this data is made available on a continuous basis.

I know OPM has long utilized this information. I believe OFA does as well as one of the -- the primary sources for information about higher education. So we would ask that that reporting requirement be reinstated for the new agency.

And lastly we have proposed closing intake into the Kirklyn Kerr program. Again this is a budgetary proposal as a -- as a lower priority program than others that we sought to fund.

I am happy to take questions about that. We've also submitted testimony on the -- the merger of CHEFA and CHESLA. I'm certain -- I'm happy to answer questions about that as well but I'll -- I'll let my written testimony stand on that.

SENATOR BYE: Thank you, Secretary Barnes.

Questions? Representative LeGeyt.

REP. LeGEYT: Thank you, Madam Chair.

Good morning, Secretary.

SECRETARY BENJAMIN BARNES: Good morning.

REP. LeGEYT: I wanted to ask you a few questions about the CICS plan as proposed in this bill. Am I correct in remembering that the CICS program suffered a reduction both last year and this coming year in the biennial budget that was put out and approved last year?

SECRETARY BENJAMIN BARNES: Yes I believe that's correct, yes. I don't have the numbers off the top of my head but there was a -- there was a -- a reduction to the CICS program in the -- in FY

'12 and in FY '13.

REP. LeGEYT: Right.

SECRETARY BENJAMIN BARNES: This is (inaudible).

REP. LeGEYT: As I remember somewhat sizable from 24 million down to 18 million this past year which is 25 percent and then further reduction to 16 million for this coming year so that it would have been reduced by a third overall over the two years.

And with a further reduction of \$4.8 million that's being proposed here I believe that would bring it down to barely half of what it was two years ago or, you know, prior to last year and so another 4.8 million is a huge percentage of money for Connecticut students who are trained here and want to go to college in Connecticut.

I -- I heard you say that the -- the additional decrease, 4.8 million, was out of budgetary concerns but I suppose that with the reductions that were already imbedded in the biennial budget there must have been some other constraints that forced the decision to significantly cut this budget by \$5 million and I imagine it's a -- it's a choice between difficult categories.

Would you -- would you care to speak about that?

SECRETARY BENJAMIN BARNES: Sure, I -- I would be happy to. Obviously I believe that the CICS program accounts -- is -- essentially becomes institutional assistance to private institutions of higher education in the state. I don't believe, because of the way that the program is -- is -- functions because of the mechanics of it, that there is a clear nexus between CICS



money that we provide to the schools and lower higher education costs for students.

We've asked that that information be provided. It has never been provided on a -- on an individual student basis in a way that -- that demonstrates that -- that the funds we put in to the CICS program result in lower student costs for Connecticut families paying for their children to go to school here. There's just no, you know -- the -- the notion that a school with a very large endowment and a very active financial aid program is -- is determining the financial aid package that they would offer absent CICS and then -- and then reducing it by the amount that -- that CICS goes in.

One thing it doesn't have a beneficial impact; it certainly does. Adding more money to the financial aid pool at any school is going to have a beneficial impact. But I can't guarantee that that impact isn't going to out-of-state students to some degree and I cannot guarantee that of the -- if we put in \$16 million into the CICS program that that is reducing the costs to Connecticut students by \$16 million.

I -- I just don't have any assurance that that's true and, as a result of that, we -- we felt that given what we see as a -- as an uncertain policy success of the program that we -- we would put our -- we would -- we would prefer to propose dedicating those resources to other critical areas of need, in -- in particular addressing some of the long-term liabilities in the state. You know we have pension funding problems that are catastrophic in -- in nature and also we feel the -- the highest priority of the -- of the Governor in his budget is finding new resources and a whole series of reforms to bring to bear on -- on K-12 education which we

think is also, you know, a critical piece of -- of our overall education landscape.

So we -- we -- we're supportive of higher education and we would like to find a way to structure an aid program for Connecticut students at private schools that we -- we were confident would -- would dedicate those tax resources to -- to that very problem and not to the overall health of the -- of -- of these institutions, some of which I would point out are much healthier than the State of Connecticut whose endowment is currently at about \$1.7 billion negative.

We are -- we have a -- a significant fund deficit in the State of Connecticut which is exactly at odds with -- with the -- the endowments that are held by these institutions.

REP. LeGEYT: Well thank you for that answer. I -- the perspective that you measure \$4.8 million by obviously is -- is one that, you know, makes -- makes the argument or it doesn't and laid against the total endowment of private colleges and universities in Connecticut, \$4.8 million isn't much money but within the confines of that particular program it's a huge percentage and, if you're concerned about whether or not that money is going to make it easier for Connecticut grown and raised and educated students to go to Connecticut colleges, you're -- you're saying in the bill that there's going to be some data collection taking place and that's perhaps why you don't yet -- can't yet say for sure whether that money is being properly used. I can't imagine it wouldn't be.

I -- I would you know -- one argument might be to wait until the data comes in and then structure some change in the amount based on

that. I -- it seems -- it seems arbitrary to pick a threshold, pick a cliff I guess your -- I -- I guess I would say to pick a cliff of \$200 million for an endowment and -- and deny colleges with a greater endowment of any benefit from the CICS money.

I wouldn't expect that it would be too difficult to spread the -- spread that loss of CICS money out over the various institutions that use it. I know Yale has passed on the need for CICS money but the other colleges, I'm thinking Trinity, Fairfield, Quinnipiac, Conn College, Wesleyan, you know, a million dollars to them is significant when it comes to, you know, providing Connecticut students with a chance to go to school in Connecticut.

Was there any thought about modifying the schedule and spreading it out across the institutions that would use it rather than just picking a cliff of \$200 million and denying it for any school above that?

SECRETARY BENJAMIN BARNES: Well we -- we believe that the -- the danger with the structure of the current grant where we basically provide a grant to -- to the colleges and they -- they then later assure us that they've given it out to Connecticut students and that that's -- that's the current program.

If we -- we felt that the danger that it was being used to -- the danger that its removal would a) harm Connecticut students or that -- that its use was -- was not net -- necessary in order to provide those aid -- aid packages to Connecticut students was greater at those -- students with -- the schools with large -- large institutional endowments. So we -- we did -- I mean it is -- I will freely acknowledge that we

-- we set a number and it was -- it was arbitrary. \$200 million is -- I mean wasn't random. We looked at the endowments of institutions and -- and there are some that are very high and \$200 million seemed to capture the -- the highest of them.

We -- we certainly -- you know I -- I suppose we could take a different approach but -- but I believe that it's more critical that we preserve the ability of the schools with low endowments to continue to have active -- active scholarship programs because I think that it probably has a -- a significantly greater impact on the ability of those schools to provide financial assistance than it does in a school that has a -- a very large endowment.

So -- so we thought it was minimizing the impact on students to do it the way we did, although obviously I understand that others may seek to do something completely different.

REP. LeGEYT: Well completely different would mean perhaps reversing the plan to make that cut in the first place and I thank you for your answers sir.

SECRETARY BENJAMIN BARNES: Thank you.

SENATOR BYE: Madam Co-Chair you have a question?

REP. WILLIS: Thank you.

Thank you Mr. Secretary for coming here.

SECRETARY BENJAMIN BARNES: It's my pleasure.

REP. WILLIS: It's a pleasure to have you and we hope you'll come back again.

SECRETARY BENJAMIN BARNES: Oh many times.

REP. WILLIS: Okay. Certainly on -- on selecting the cliff, as my colleagues -- and it is an arbitrary number which you alluded to, one of the first reactions I have, and I expect the -- is market -- stock market fluctuations which can wreak havoc on an endowment. So you could have 200 at this snapshot point that you're talking about and then three months later you may not have anywhere near 200 million. So that's -- that's one comment.

The other iss -- issue I have with one of the schools that were selected and that's Wesleyan and although on paper, you know, they look -- you know they have a nice healthy endowment, not a lot but certainly nowhere near where Yale is, but they're a need-blind school. There are very few schools in the United States that are need-blind and that's an incredible thing for a university to do.

SECRETARY BENJAMIN BARNES: I don't think there are more than a dozen need-blind schools in the country.

REP. WILLIS: Right.

SECRETARY BENJAMIN BARNES: From my experience as a father of a teenager.

REP. WILLIS: Right, but Wesleyan is and I really respect that and that really benefits Connecticut students as other students but the point is they don't determine when they're accepting a student what their financial need is and that is -- I know I've spoken to some people on the Board and that is a challenge for them.

So with that, the other thing that's very -- I

think something that we need to think about here and it's something I know you care deeply about and the Governor cares deeply about and that's completion, completing college in -- within four or six years. And if you're going to look at results-based accountability and you look at their graduation rates at a Wesleyan or a Trinity, they're right up there at the top well -- well over anything that our public institutions do. So that's another thing that weighs on -- on my thinking for them.

I also am aware that other states have similar programs, private institutions. So when you were saying -- questioning the benefit to out-of-state students that come here because it gives the school more operating dollars really to -- and more flexibility, not that they're -- I think it's important to distinguish they're not giving CICS money to somebody from another state directly, correct?

Do you think -- do you think they're saying that they're giving money to somebody not from Connecticut?

SECRETARY BENJAMIN BARNES: Well I think if -- if we give \$1 million to a private college, and I -- just as an example, I think there's no question that they -- they turn around and give \$1 million out to Connecticut students. There's no question that that is happening and on that level they are complying with -- with the -- with the intent of the program.

My concern is that how much of that -- is it -- is it a \$1 million more than they would have given to those Connecticut students if the program didn't exist. Are they, in fact, holding back and offsetting institutional aid that they would have provided to Connecticut

students in the absence of the CICS program?

And as you know when you fill out an FAF and you -- you know you disclose all of your income and you spend a whole three weekends going through all the 75 pages of painful disclosure that you provide to colleges and universities when your -- when your children apply, they determine a family share based on your income and then they make up for the remainder of the -- of -- of it beyond that with aids, with -- with loans and grants of various kinds.

Now I would like to think that if a Connecticut family goes out and -- and their family share at -- at a -- at a school in -- in New York is -- is \$20,000 a year, that if there's a -- a Connecticut (inaudible) college, their family share should be lower under the -- under the FAF because they have CICS money available to -- to reduce the family share.

I think that the CICS money is reducing the college's contribution through aid and loans or -- or other financial assistance and not reducing the family's share and I have -- and -- and they -- this has been disputed to me in a general way by -- by advocates for the program but I have -- and -- and we have asked for -- for verification of that but that has never been forthcoming. I've never seen any information which enables me to -- to determine that and, from what I know as a consumer of the -- of the financial aid process, it doesn't seem -- I -- I don't understand how they can -- they can make these differential determinations on what the appropriate family share is based on whether they're Connecticut residents or not and yet that's what the policy would require, in my view, in order to be successful.

I actually think that I would prefer, in the long run, to develop a program of financial aid in the form of -- of much more aggressively subsidized loans to do it through loan forgiveness programs or other methods whereby the -- the aid is unquestionably going to benefit the students in -- in doing this.

If we wish to provide institutionally to colleges and universities, let's call that institutional aid to colleges and universities and -- and we can debate whether that's a good thing to put in the budget or not but now it's -- it's neither fish nor fowl. It's not clear whether it's institutional aid or aid directed at Connecticut students and it's neither one and we don't have a good sense of it.

So that's -- that's my concern about that.

REP. WILLIS: Well as a follow up, how many -- and maybe Jane can answer this -- how many states offer a similar CICS program?

A VOICE: (Inaudible).

JANE A. CIARLEGLIO: We can -- I -- off the top of my head I don't know. We could certainly take a look at that.

REP. WILLIS: More than 30 I think the number is. Does that sound right?

JANE A. CIARLEGLIO: Well what's -- what's similar? You have to under -- well you've got to look at what's similar. There's no question that there are programs for independent institutions across the state but you just have to look at how they're administered and how similar it is.

REP. WILLIS: Okay. Let's try to narrow it. What



about New England - New York, Rhode Island, Massachusetts, Vermont. Do they have a CICS program?

JANE A. CIARLEGLIO: Well we -- well again we can take a look at that and make sure they are similar. We can do that for you.

REP. WILLIS: Okay because I guess my point is that there are other -- there are students that we are sending out-of-state that are benefitting by the same theory that -- that you are about benefitting the private institutions.

So that's just also something to keep in the back of the mind. But certainly I think their success on completion rates is something to put on the forefront of what they're doing. They're -- they're doing the job. They're taking care of our kids, educating them and they're graduating and I know that's something that we all want to see.

REP. WILLIS: Do you want to ask this question?

A VOICE: (Inaudible).

REP. WILLIS: Okay.

SECRETARY BENJAMIN BARNES: To that point I -- I would strongly support changes to the CICS program that would -- that would create additional incentives for completion. I think that that -- that would require a -- a more student-centered approach than the current program does. But I -- I actually believe that that would be a -- a great enhancement to the program to provide either aid in the form of loan forgiveness as one way that that can occur or -- or other similar programs that provide greater aid to those who complete the program I

think reflects the -- the nature of -- of the state's involvement as an investment in the -- in the education of these students.

So I would strongly support anything to -- to enhance completion rates through this program.

REP. WILLIS: Just one comment on loan forgiveness because we've tackled that issue on this Committee for a number of years. It's very expensive. It's not easy to administer and it has been a challenge in doing it on a wide scale basis. I'm sure the office of whatever you are now Jane --

JANE A. CIARLEGLIO: Well we could structure it in the same way that we --

REP. WILLIS: But it's hard and it -- and you'd need more staff in order to do that so I just wanted to make the Secretary aware of how expensive it is to do loan forgiveness.

Thank you.

SENATOR BYE: Thank you.

I have a couple of follow-up questions.

Thank you, Secretary Barnes.

I think that anyone listening at home or in this room is getting a sense of how incredibly complicated higher ed finance is trying to get at how do we make our best investment to help more students graduate on time.

And the other thing that's complicated about Connecticut is how many private colleges we have. It's probably true in all of New England. When I went to a national conference and met

legislators from Colorado they had like three private colleges in the whole state. But here it's a part of our higher ed -- our higher ed land -- landscape.

And this question may be to you, Secretary Barnes, but I think we may need our Executive Director of OFAA to -- to help as well. Jane, we got a report from you in January about the CICS program and how the dollars are being used and how -- how we allocate dollars.

After significant work by your office and the independent colleges coming to terms with what data would be avail -- available to you, you may remember, Secretary Barnes, last year we asked for additional data --

SECRETARY BENJAMIN BARNES: Yes.

SENATOR BYE: -- so we could get under some of these complicated issues and so my question is has the additional data helped and, if not, what question do we need to be asking to get at Secretary Barnes' concerns around our students' fees actually being lessened, or tuition and fees being lessened because of the CICS program?

JANE A. CIARLEGLIO: Well I think -- and -- and you lived through the process too it -- it was one year we didn't have all the colleges report but I think that Secretary Barnes' point if we can get more data that's -- that's, you know, across the board from everybody and not be deciding, you know -- it has to be -- it has -- everything has to be on the same plane. We have to answer it in the same way and everybody has -- has to answer it.

That we could certainly look at -- at gathering more data but it has to be clear that it is not

a constant negotiation because, you know -- you know we almost ran out of time as it were.

SENATOR BYE: Well understanding that --

JANE A. CIARLEGLIO: Yup.

SENATOR BYE: -- let's just say we get all the data that we need, what question do we need to ask to answer Secretary Barnes' concern and -- and maybe Secretary Barnes you -- you have an idea of a question we can ask but you know we want to -- I -- I think the independent colleges are anxious to answer it in a way that is satisfactory.

JANE A. CIARLEGLIO: Well I think it does go to -- to how they -- they disburse or what their institutional aid does in-state versus out-of-state. I mean that -- that certainly would go (inaudible) to Secretary Barnes' point, does it offset -- off -- out-of-state students? And the benefit needs to go to the Connecticut resident.

SECRETARY BENJAMIN BARNES: Yeah I mean there are a number of approaches and I -- I certainly think it's helpful to work with the institutions themselves to -- to identify ways to -- to show compliance that -- that's not unduly onerous to them.

But I -- I think that it's critical, for instance, that we show -- we'd be able to have confidence that the -- the similarly situated in-state and out-of-state students assume -- the in-state students would receive CICS so they get their -- their list of -- of grants and part of their package includes \$1,000 of CICS funding, that -- that we then can -- can demonstrate through a statistical analysis or through some other analysis that -- that the remaining

portions of that are -- are -- have not been reduced compared to what an out-of-state student, similarly situated, was offered.

So that -- so that we can be confident that a -- you know two students who are from identical family circumstances and income and -- and other -- and other circumstances are getting into whatever school it is, private school in Connecticut, have -- have -- that the -- the CICS grant is supplemental to that.

I -- I mean we could demonstrate that. I think it's going to require some level of -- of individual student reporting which has basically not been -- not been provided by the institutions, as well as some statistical analysis that demonstrates that -- that the -- that aid packages for Connecticut students are, you know, \$1,000 or whatever the individual CICS grant are -- the CICS amount higher than what you would -- what they would provide and what one would expect for similarly situated students from -- who are not Connecticut residents.

That -- and that's -- that's -- it's a little -- it's a little tricky and I understand that it may not be answered with 100 percent certainty but I'd like to see it answered with -- with a high level of certainty that we -- you know that we have a confidence in -- in a -- in a statistical analysis that shows that.

SENATOR BYE: Okay. I -- I hear that. I just want to maybe add one thing to it if -- if you're looking at that because I think a lot of what this does is reduce student loan debt which is a real problem right now. So I know that when my son received some scholarship dollars, his student loans went down. And so I think that's also an advantage to the state and to our young

folks if we can reduce this.

SECRETARY BENJAMIN BARNES: I -- I absolutely agree with you. I think that I consider student loan debt to be essentially part of the -- the student or family's obligation. Individual families decide how to keep that amongst the -- amongst the people involved. But I -- I absolutely agree with you on that score.

SENATOR BYE: Okay I have -- I have one other question. I'm going to turn it to other Committee members. When you talk about the million dollars in grants to our stop -- top students who are going to be teachers, I'm wondering if those grants are available to students at our independent colleges who graduate many of our great teachers in the state.

SECRETARY BENJAMIN BARNES: Yes it's for both public and private institutions.

SENATOR BYE: Okay, so how will students know to apply for that or is it -- if it passes?

JANE A. CIARLEGLIO: We'll do it in the same way.

SENATOR BYE: So it would be administered by your office?

JANE A. CIARLEGLIO: Yes.

SENATOR BYE: Okay.

I just want to -- I don't want to take up all the questions right now. Other Committee members -- I know Senator Boucher had a question.

SENATOR BOUCHER: Thank you, Madam Chair.

And thank, Secretary Barnes, for being here today.

SECRETARY BENJAMIN BARNES: My pleasure.

SENATOR BOUCHER: I -- on the same point that you made -- by the way -- and you raised a very, very interesting point on the CICS program about whether or not that offsets student cost versus the university costs with regards to that program and -- and I'm very interested in hearing the response from -- from the independent sector on that particular point.

But my -- the question to you would be would, or does, and maybe again this probably a question for them, does having the CICS program in Connecticut actually incentivize in any way those private institutions from accepting more of the Connecticut student applicants?

And -- and that's something maybe I will ask them.

SECRETARY BENJAMIN BARNES: Yeah I -- I have no idea. I don't know the answer to that. I would certainly hope so. I think that would be a -- a good outcome of -- of the grant as it currently exists or as it might exist in the future but I don't -- I don't know the answer to that question.

SENATOR BOUCHER: And on the reverse of that could it disincentivise them if they didn't have that -- that financial -- extra little financial incentive and -- as I said that rhetorical. I'll ask them about that but I further wanted to know, since you're here and there's another Governor's bill on the agenda, and that's Bill 29 having to do with the Connecticut Health

Education Facilities Authority, could you -- could you just give me a -- just a quick brief overview of the purpose for that bill and the need for it.

SECRETARY BENJAMIN BARNES: Well we -- we believe that we need to -- that they -- that we can more cost-effectively administer these two. These are quasi-public authorities which have the capacity to issue debt to support higher education in a general sense. CHESLA supports, in addition to higher education, it supports various educational and -- I mean CHEFA -- educational and -- and health facilities.

CHESLA issues bonds to support student loans. We believe that the -- that some of the -- the work that's done by those agencies with respect to issuance of debt, management of financial professionals, carrying out of -- of the -- the ongoing reporting and compliance obligations that go along with the issuance of municipal debt that they are -- that they can effectively merge those aspects of their operation and share some of the talent and capacity within those two organizations.

So we think it's a -- it makes sense. We can -- we can reduce the number of -- of independent groups that we have and -- and provide a more cost-effective service for -- for CHESLA. We are -- I mean I -- I'm -- I'm a big believer that CHESLA has a great role to play going into the future and I -- and I, you know, I know that the extent to which they can be as efficient as possible in -- in reducing costs of -- of administering programs and issuing debt that will only provide greater resources to Connecticut students at a -- at a lower price.

I, in the long run, believe that -- that CHESLA



may be one of the ways that we can really provide significant relief to Connecticut students for their higher education costs through reducing the costs of borrowing and making the terms less onerous.

It seems inevitable that borrowing is going to be part of a student's -- the way that students pay for college in -- in the future, it certainly is today. So we -- we believe this is going to support them in their mission. We have no intention of -- the structure that we proposed preserves the separate identity. They -- they would be issuing bonds that -- that are separate. They wouldn't be comingling issues, for instance, but we just believe that they can manage that process using -- sharing resources in a more cost-effective way.

SENATOR BOUCHER: Thank you for the answer. In part of the bill whereas there's a new section, you have to providing and be compensated for such services on behalf of the higher education supplemental loan as appropriate for the operation and management of said authority, et cetera. Quote reimbursed for costs associated with space, equipment, supplies, employees and so on, are you going to have a -- a sort of a -- a benchmark of the percentage of costs involved in that so that it -- we can be assured that it won't raise the cost of the overhead and, in fact, do what you're hoping to accomplish.

So in other words you have a -- a certain maximum feeling of what the costs should be as a percentage of the work that they do there.

SECRETARY BENJAMIN BARNES: Well we -- I think our -- our approach was to reduce the costs from the current level and we would be happy to -- to support reporting on that to -- to this

Committee because I think that that's a perfectly good question if it can save money -- how's that working.

And to -- to establish benchmarks. The benchmark that we had been discussing internally was, you know, the -- the level of -- of administrative costs today and to -- to try to reduce that.

SENATOR BOUCHER: Exactly that was my point and I appreciate the answer. Thank you very much.

REP. WILLIS: Representative Janowski.

REP. JANOWSKI: Good afternoon. Good to see you.

SECRETARY BENJAMIN BARNES: Hello.

REP. JANOWSKI: Just a quick question, a little follow-up on the -- the Connecticut higher education student loan and I'm hoping I'm saying it right, I always say it wrong, CHELSA I think it's called -- CHESLA.

Can you give me a better idea as to where the funding for that is coming from because I understood in the past that a lot of that money comes from businesses and outside sources to be able to give those loans to students? Can you just elaborate on that?

SECRETARY BENJAMIN BARNES: They -- they issue debt. They borrow money and then relend it and the cost that they -- the -- the interest costs that the students bear is sufficient to repay the -- the bonds and to support the administrative costs of the -- of the Authority.

So to the extent that we can reduce administrative costs or -- or sell bonds at a

lower rate, which is market driven largely, but -- they -- then we can -- we can reduce the costs that the students will bear.

REP. JANOWSKI: And when you say you -- you sell bonds that would be to who businesses?

SECRETARY BENJAMIN BARNES: Well to whoever chooses to invest in them, private. I mean typically those types of loans are going to be largely purchased by pension funds, hedge funds, investment bankers, it's tax-exempt debt so wealthy individuals, others who have an interest.

Connecticut is a -- is -- Connecticut paper -- tax-exempt Connecticut bonds are -- are highly sought after because of the large number of -- of affluent people here in Connecticut who like the tax free income.

So it is -- it's a -- there -- there's a robust market for people buying those bonds.

REP. JANOWSKI: Okay, thank you.

SENATOR BYE: Thank you, Secretary Barnes.

Other questions from Committee members?

Okay. I -- I have one question but I'll -- I'll ask it off-line because there are a lot of people waiting today but I appreciate you coming before us today and we'll see you soon I'm sure.

SECRETARY BENJAMIN BARNES: It's my pleasure. I look forward to the next opportunity.

REP. WILLIS: Is that sincere?

SENATOR BYE: Okay next is Braden Hosch.

colleges and three from CSU, then the -- the legislation would need to be I would suggest specifically changed to include say one person among the teaching faculty and one person for -- from CSU and one from the community colleges.

REP. SAWYER: From non-teaching faculty?

STEPHEN ADAIR: Yes.

REP. SAWYER: Thank you for your thoughts.

SENATOR BYE: Thank you, Dr. Adair. I'm sure you weren't expecting this many questions but we really appreciate your -- your perspective and I think that the reason we added this Faculty Advisory Committee is that when we talk to folks on campuses they said presidents come and go, you know, a lot of people come and go but we're here for many, many years for the most part and we have a lot to add and we have an important perspective.

And I think we can hear from the answers to the questions how complicated the landscape is on -- on campuses.

So thank you for your testimony and feel free to contact us if you have other thoughts because we hit you with a bunch of questions that are -- you'll keep processing probably. So thank you very much.

STEPHEN ADAIR: Thank you.

SENATOR BYE: Next is Father Jeffrey Von Arx, am I saying that -- from Fairfield University.

Good morning, Father.

FATHER JEFFREY von ARX: Good morning, Senator, how

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are you?

SENATOR BYE: Excellent. How are you?

FATHER JEFFREY von ARX: Good, good. Good afternoon everyone. Senator Bye, Representative Willis nice to see you again, members of the Committee. Again I'm Father Jeff von Arx. I'm the president of Fairfield University and also the current chair of the Connecticut Conference of Independent Colleges and I'm joined by Ms. Judith Dobai who is our vice president for enrollment management at Fairfield and probably in a position to answer some of your questions better than I can.

I'm here to testify on behalf of our sector against Section 2 of S.B. 28, An Act Implementing the Governor's Recommendations Concerning Higher Education. This section exempts students attending institutions with more than 200 million in endowment assets from the Connecticut Independent College Student Grant Program. That would be Yale University, Wesleyan University, Connecticut College, Trinity College, Quinnipiac University and Fairfield University.

These six schools received approximately 4.8 million in CICS funding for this year. All of this money went to needy Connecticut students who excelled academically, allowing them to be admitted to some of the country's finest colleges and universities that happen to be located in the State of Connecticut.

This money leveraged substantial amounts of institutional aid. In this fiscal year alone the five that received the CICS allocation gave \$32,600,000 in institutional aid to Connecticut undergraduates.

We believe that the CICS program helps needy Connecticut students attend the academic setting that is right for them and it helps to ensure that Connecticut's workforce is prepared for the jobs of today and tomorrow and that it is a direct extension of the needed educational reform that is currently underway in the state.

The chart -- the attached charts that we've provided to you provide insight into graduation rates, industry cluster degrees in our sector and minority enrollment. Connecticut is fortunate to have such a robust independent college sector. It cannot meet all student and employer needs through its public sector and should be increasing rather than decreasing the relatively small amount of financial aid that goes to students at independent institutions.

At Fairfield University, for example, all 272 Connecticut residents who receive the grant would lose it under the proposal that is part of the Governor's bill. Most of them are from Bridgeport, New Haven and Waterbury. Forty-two percent are under-represented minorities and 53 percent are the first generation in their families to go to college.

We provide the financial backing necessary to help 595 Pell Grant recipients to enroll, 45 percent of whom are Connecticut residents. We cannot have our collective effort to eradicate the achievement gap in K through 12 education, certainly a laudable goal, become then subsequently a financial gap in higher education.

I must also note that last year we graduated 80 students in engineering, bioscience and technology areas at Fairfield. Sixty-three

percent of these technology graduates were from Connecticut. Over half of our alumni live and work in the state. They are Connecticut's teachers, engineers, software developers and scientists and they are vital to the state's economic success.

Our endowment spend is already at its prudent limits and the bulk of the money we are allowed to spend already goes into financial aid. We've made substantial cuts to many areas of our budget in an attempt to continue to fund the significant amounts of aid that our students now need. Cutting Fairfield out of the CICS program will hurt needy Connecticut students.

Independent colleges and universities are key participants in Connecticut's economic resurgence. We are market-driven and we are able to respond quickly to workforce needs while ensuring that our graduates are prepared to participate fully in our communities and in our state's economy.

Why not continue to fund a program that economically and effectively graduates such a large proportion of Connecticut's workforce? So we ask you on behalf of our sector to please oppose this bill and to maintain CICS at this year's funding level.

Thank you for your time and attention.

SENATOR BYE: Thank you for your testimony.

I -- I have a -- a question and I -- probably you're going to turn to your vice president of enrollment management. And I want to thank you for the service at Fairfield. In fact I know many -- I have a daughter who's a senior in high school now and many of her friends are waiting

anxiously to hear if they're going to get into Fairfield which is very competitive.

FATHER JEFFREY von ARX: Thank you.

SENATOR BYE: And they're great kids. So I hope -- hope you take a lot of them. But the question I have is, you know, to go at Secretary Barnes' questions -- I don't know if you were in the room when he was saying --

FATHER JEFFREY von ARX: I believe Ms. Dobai was. I -- I -- arrived during his testimony.

SENATOR BYE: Okay so -- so you heard his testimony that -- his question is is CICS really reducing what students pay? Are reducing their debt when they graduate? How -- how can we know that?

JUDITH DOBAI: Thank you, Senator Bye. I will try to address that question. I think that what's so essential to understand is that this is -- this is essentially a partnership, Fairfield University or other independent colleges -- colleagues. We really partner with the state to ensure that high need students can enroll at our institution. It's very clear that we, as an individual institution, could not support this level of financial assistance to our needy Connecticut residents without help from the State of Connecticut.

It -- it just would not be possible. We are not in a position to absorb this additional -- and in the case of Fairfield University it's a \$1.4 million reduction that we would be facing this July 1<sup>st</sup>. We are not able to absorb that. It's clear that this is, in fact, would impact directly the individual students who are the recipients of those awards.



The reality is the University -- Fairfield University, you know, it's -- it's not possible for us to keep up at this point with the level and the demand of -- for financial assistance from students who really need our help to be able to -- to have a college education and be able to become the productive citizens of the State of Connecticut that they, of course, have plenty of goals, professionally and personally, that they want to be able to contribute and they wouldn't be able to do it without the kind of assistance that we're providing.

To give you a sense if I could expand on the answer to your question, the University does dedicated a significant amount of its endowment to financial aid assistance but that dollar amount of -- of earnings from the endowment that can support financial assistance for students produces about \$4 million a year and we spend \$50 million a year on financial aid.

So there's no way that endowment alone will ever support the kind of commitment that we're making. And we do that in partnership with the state but it's essential that the state retains its part of it.

FATHER JEFFREY von ARX: I might simply add of course that -- that almost all of us in this sector have applicants that come from all over the -- all over the region. Certainly the CICS grant is able to incentivize us to accept students from the State of Connecticut.

SENATOR BYE: Those answers are really, really helpful so thank you.

Other Committee members? Representative Dillon.

REP. DILLON: Yes good -- I'm looking to see what

time it is -- good afternoon, Father. I spoke to you earlier and as you know I -- I didn't want to be personal but you know my -- my uncle, Father Tom McGrath, was the founder of the psych department there --

FATHER JEFFREY von ARX: That's right.

REP. DILLON: -- and my sister was a trustee and my goddaughter is a sophomore. So I'm trying to separate all of that from my role as a legislator but even if I just look at it as a legislator, there's a pipeline in New Haven between Hillhouse High School and Fairfield, partly through the efforts of one of my neighbors, Jack Paulishen, who has very aggressively brought some of the kids from one of the -- some of the more marginal neighborhoods in -- in New Haven but also in my district and they're now at Fairfield.

In fact my campaign manager, Darrell, was my cam -- was a graduate -- a recent graduate of Fairfield. I can name right now, without embarrassing anybody so I won't, the kids from New Haven who are scholarship students on CICS supplemented with -- by packages that your people put together who are there and they wouldn't have been there.

They would have -- and I don't know how they would have put it together. They had the support of a teacher who believed that they had a shot at it and who was very dedicated to the University because he went there.

But -- but they also had the advantage of the state. And -- and so I don't even need to think about any family ties. I can just look at the people who really hired me to come here and there are people who are there at Fairfield

because of what we're doing here. So I'm really glad you're here.

FATHER JEFFREY von ARX: Thank you very much, Representative Dillon. We -- we have a number of community partnership schools which are typically inner-city schools with students obviously from a low income background and Fairfield University is committed to providing full tuition scholarships to those students. Certainly Hillhouse is one of those schools. You may be also aware of the fact that we're committed to a Bridgeport scholarship as well. Any student at any Bridgeport public or Catholic high school who is admitted to Fairfield University whose family income is below \$50,000 attends on a full scholarship.

And of course that effort is greatly assisted by the fact that all of those kids obviously are kids who are receiving CICS grants as well. So that's an example of the kind of partnership that enables us to bring students from lower socio-economic backgrounds, students from under-represented minorities to a school like Fairfield.

REP. WILLIS: Thank you very much. We've lost my co-chair who was chairing.

There's a question over here, Senator Boucher.

SENATOR BOUCHER: Thank you, Madam Chair.

And thank you both for being here today. There were some -- and you -- I know you were here for most of the previous testimony and some of the comments made by Secretary Barnes involved his concern that he wasn't clear that these particular CICS scholarships were going to reduce the cost of the parent's portion -- or

the student's portion but in fact really defraying the -- the cost for the University's portion of that particular student's education.

Do you have an answer to that? You already answered the question of that this would directly because that was one of my other questions was does this impact your admitting more Connecticut students and you said clearly it would and you also answered a question that I hadn't asked but anticipated and that is how does the endowment issue that clouds this by putting that \$200 million limit on it, does that just assume then you have a great deal more funds to be able to disburse versus the real use of -- of endowment funds and their return for the market.

But going back to that number one question mark that Secretary Barnes put on, is this really helping -- in essence it -- it was almost saying is this really helping the university or is helping the family or the student.

FATHER JEFFREY von ARX: Sure. I'll -- I'll begin a -- an answer to that question, Senator, and then turn it over to my colleague. Certainly I would say that almost any kid who's receiving a CICS grant is also getting a very substantial University grant in aid.

And so we're -- we're putting our money in -- in -- into this game as well in a very, very significant way. So it's not as if, you know, we're not stepping up to the plate in a very substantial way to enable the attendance of kids from these kinds of -- of backgrounds at our institutions.

Again we view it as a partnership with the state. The state aid helps. It makes possible

accepting more needy Connecticut students at our institutions than we would otherwise be able to do and that's probably something to -- to try and keep in mind.

Judy do you want to respond to --?

JUDITH DOBAI: Sure I can -- I can add to the -- to the answer from Father von Arx, certainly. You know I think one of the challenges that Secretary Barnes alluded to is the administration of the programs and -- and certainly the process is different at each of our institutions.

But I think what -- what seems to be a mystery is really just process and I think that's -- that's one of the challenges that we face in -- in I think developing a -- a strong partnership and making sure that we can all administer this in ways that we all know that the dollars are being used effectively.

In terms of the way it's actually administered, keep in mind that I'm offering to incoming freshman students financial aid awards as early as January or February, well before I'll know exactly what the dollars are coming from the State of Connecticut for any given year.

So I have to make an assumption about how much money will potentially be available for my Connecticut residents and offer, using University funds, up front, to say we will make sure that you have this covered.

Obviously once we know how much the state is going to be able provide, we can then say this amount of the money for this individual student is coming from the State of Connecticut. But in large part this is a timing question more than a

-- a misuse of funds or -- or any other situation like that.

SENATOR BOUCHER: Could you anecdotally give me a -- a percentage of what you think would be an overall scholarship or grant that a student would get? What percentage of the CICS grant might represent versus the college -- your college percentage versus the national Pell Grant program?

JUDITH DOBAI: Sure. In terms of our national (inaudible) let me outline. We have 595 students at the University who are Pell Grant recipients, as Father von Arx mentioned earlier about 45 percent of those students are Connecticut residents.

Pell Grants can range from a couple of hundred dollars to a maximum of \$4,500. Our CICS recipients are often Pell Grant recipients as well. They tend to be fairly needy students. And our -- at Fairfield University our average CICS grant is \$5,181. So we're talking a significant amount of money. Our average University grant to those same CICS recipients is \$22,000. So this is a significant reduction in their potential aid if we were to lose this funding.

SENATOR BOUCHER: It sound though like it's four to one. The University contributes four times what are the other grant programs so it's a significant portion. I was particularly struck when you told me that the University spends \$50 million in scholarships.

JUDITH DOBAI: We do.

SENATOR BOUCHER: So you can see that by the percentage of that grant how four times or

greater is the University. That's very compelling testimony and it's something that you should be I think stressing. I -- I would imagine that your other universities have a similar scenarios, maybe not, but certainly your program sounds very generous and well thought out. Thank you.

FATHER JEFFREY von ARX: It would certainly be the case that our -- our colleagues in the sector are doing pretty much the same thing, Senator.

SENATOR BOUCHER: May I just ask one further question?

FATHER JEFFREY von ARX: Sure.

SENATOR BOUCHER: Does this impinge on your ability to retain the principal of your endowment when your -- or is this based on the various other sources? You're not just based on -- on your returns from your endowment to be able do this then I assume.

FATHER JEFFREY von ARX: Sure, financial aid typically comes from the endowment but it also comes from the operating budget itself, so --

SENATOR BYE: Thank you, Senator Boucher.

Next is Representative Rovero. Microphone please.

REP. ROVERO: I'm sorry. I have a quick question and it's wondering if there should be any cutoff at all. Could you tell me the amount of Fairfield's endowment assets?

JUDITH DOBAI: Sure.

REP. ROVERO: And what the amount of Yale's endowment

assets are. I'm just trying to determine if there should be any cutoff at all.

FATHER JEFFREY von ARX: We -- we know our own.

JUDITH DOBAI: And I do know Yale's. We are at \$254 million at Fairfield University and Yale is 1.6 billion.

REP. ROVERO: 1.6 billion?

JUDITH DOBAI: Um hum.

REP. ROVERO: Thank you very much. It's -- I just -- you know sometimes you wonder when do you cut off with the budget being as limited as it is. You wonder when you do cut off amounts that go to education and we have are local schools, our high schools and so forth all fighting for their dollars and -- and when you talk about a \$1.6 billion endowment you wonder if they really need any money from the Connecticut taxpayers to support them.

FATHER JEFFREY von ARX: But we -- we had -- we had just stated that. The Yale endowment is \$16 billion.

A VOICE: Excuse me.

REP. ROVERO: Sixteen billion.

FATHER JEFFREY von ARX: \$16 billion.

SENATOR BYE: Thank -- thank you for that correction.

A VOICE: Thank you.

FATHER JEFFREY von ARX: But I believe it is also the case, Judy please correct me if I'm wrong, that -- that Yale often declines to accept the CICS



grants.

A VOICE: (Inaudible).

FATHER JEFFREY von ARX: For the last two years Yale has not accepted CICS money, Representative.

REP. ROVERO: Okay, thank you very much.

SENATOR BYE: Next is Representative Sawyer. Okay, Representative Willis.

REP. WILLIS: Could you speak to -- well I have a couple of questions, one tuition. How much does it cost to go to Fairfield?

FATHER JEFFREY von ARX: Thirty-seven thousand dollars is the tuition, Representative. Thirty-seven thousand dollars is our tuition.

REP. WILLIS: Okay, and room and board?

FATHER JEFFREY von ARX: It depends on the package but 12,000 more or less -- differential charges.

REP. WILLIS: You think -- one of the things we haven't talked about, and it may be in some of the materials, but if we could have the tuitions from all the members so we could see what the tuition is and also since we look at tuition increases if you could show us the rates of your tuition increases --

FATHER JEFFREY von ARX: Certainly.

REP. WILLIS: -- of all your member institutions so we can see what we're dealing with. I also want to -- obviously many of us on this Committee have a -- a little different take on CICS than -- than the administration does. But at the same time we need to be cognizant of where they're

coming from and be able to address their concerns.

If you had two students of comparable -- so the financ -- the family's financial contribution was the same and one student was from Connecticut and one student was from New Hampshire, would the Connecticut student pay \$5,000 less? Could you show us that anecdotally? I mean could you show us that what -- pull out of the hat a student -- you know no identifier but show us two students, same amount, parent contribution, what New Hampshire person pays, what a Connecticut person pays.

Because I think that's basically what -- where - - is -- is that fair to say that's the crux of the argument from Secretary?

FATHER JEFFREY von ARX: I'll -- I'll give you --

REP. WILLIS: So we'll need to see that so we can arm. But one would expect that, you know, assuming that they don't have a CICS program, which I would assume would go with them, but if -- is -- does that come right off the top because that's what he's saying?

JUDITH DOBAI: Just keep in mind that not all of our Connecticut residents receive CICS funding. We do have Connecticut residents who are not receiving CICS because we -- we do focus it on our most needy students. But it's clear that we have Connecticut residents who are receiving more financial assistance than students from other states.

I don't believe that we would see a one for one relationship to that \$5,000 and so we'd need to provide that information to you but -- but certainly our Connecticut residents are

receiving significant resources.

REP. WILLIS: Tuition would be less. It's almost like a in-state tuition reduction.

JUDITH DOBAI: Without formally because of course many Connecticut residents --

REP. WILLIS: Right.

JUDITH DOBAI: -- don't receive that discount.

REP. WILLIS: Right. Well if we're talking about somebody in CICS. Thank you.

SENATOR BYE: Thank you.

Representative LeGeyt.

REP. LeGEYT: Thank you, Madam Chair.

Good afternoon. I'd -- I'd like you -- I'd first like to say that I -- I have significant concerns about the bill and what it is going to do to reduce the availability of CICS funding for independent colleges in Connecticut.

That being said however I have a question about one of the statements in your testimony and it's in the second paragraph. The particular sentence says this money, meaning the 4.8 million, leveraged substantial amounts of institutional aid. And I'm referring back to comments that Secretary Barnes made, and that I believe Chairman Willis referred to just now, that Secretary Barnes indicated and I took -- I took his comments to mean that the CICS funding had the benefit of deferring other money that would normally be spent for Connecticut students financial aid deferring it so that it could be used for other out-of-state students and that he

didn't -- he didn't care to see the money used that way by allowing colleges to provide money elsewhere

And I -- I don't know how you would document that if it's even -- if it even has an analytical base to it but the symptoms here, you know, in one reading tends to make me think that maybe that's happening. So I -- I'd like you to have a chance to respond.

FATHER JEFFREY von ARX: Sure I'll -- I'll begin (inaudible).

REP. LeGEYT: Hope you understood my question.

FATHER JEFFREY von ARX: Again -- no I don't think (inaudible) at all. Obviously our -- our financial aid policy aims to -- to treat similarly circumstanced students evenhandedly no matter where they -- where they come from so we're trying to be fair.

On the other hand, of course, we receive many more applicants from many more places than we are able to admit -- admit at the University. Certainly the fact that Connecticut students who -- who are needy come with the possibility of CICS aids makes us feel good about accepting Connecticut students to Fairfield University which - which of course -- which of course we do, sense of obligation to the state as well.

Do you want to add anything to that Judy at this point?

JUDITH DOBAI: Well I -- I would -- I would just add that for Fairfield our commitment to the State of Conn -- to Connecticut residents is 12.8 million so I'm not sure that we are deferring, you know, that -- that we're not awarding this -

- the million point four that we're receiving in CICS money is incredible important but it's not necessarily going to out-of-state students. It's going right back into other state residents.

So it's -- it's -- this is an overall commitment to our State, both on Fairfield University's behalf and obviously on behalf of the State as well.

REP. LeGEYT: So not to belabor the point though but what does -- what does the word leveraged mean in that sentence? That you leverage -- that -- able to leverage substantial amounts of institutional aid?

JUDITH DOBAI: Well I didn't write it but I -- I think I could comment on I think the sentiment behind it because I think it's an incredibly important part of this -- this real sense of partnership. To me leveraging that aid means we know Connecticut residents can potentially bring us resources that help support their needs. We can add our dollars and together we can ensure that the student will be able to attend.

FATHER JEFFREY von ARX: We do have to sometimes make distinctions among the students that we do admit and the financial aid that we give them. The CICS program certainly enables us to privilege students from the State of Connecticut.

REP. LeGEYT: I like that answer, thank you.

SENATOR BYE: Thank you.

I -- I have a couple of follow up questions. One is, Father I don't if you were here when we had testimony about data and I'm sure that being President of the independent college network

that this is an issue that you've been dealing with and -- and I think you can hear the lack of data sometimes poses challenges for us as we're trying to make policy decisions.

Are you willing, in the face of receiving CICS funds, to, you know, have certain requirements around student data and I think through Secretary Barnes' testimony you could hear that basically he wants to be able to compare Connecticut to out-of-state students so maybe students that aren't receiving CICS to know sort of the value added by CICS for that student.

So you've actually done an excellent job testifying today. You're helping me sort of see it more clearly but I just want to be clear about the data requirements. Are you comfortable with data -- asking for data with the CICS dollars?

FATHER JEFFREY von ARX: I -- the short answer to that the question, Senator, is certainly yes and we have been providing data over the years. We have provided additional data in response to requests from -- from the State in -- in the current year and I'll let Judy respond to that since she's the one who has to actually provide the data.

JUDITH DOBAI: Yes I would concur that we've certainly provided additional information over the course of this year including aggregate information as well as unit record information for State of Connecticut residents so that we could really see where the dollars are being invested and -- for CICS.

I think one of the challenges that we face as we think about data is providing private information about non-Connecticut residents that

would include their income and their personally identifiable information.

But there are concerns with providing some data for out-of-state individuals but I think if those hurdles can be managed in a way that is appropriate for the release of private information then yes I think, you know, we would be certainly willing to try to find a -- a solution to that.

The challenge we have is that that -- the -- the assurances that we need in terms of privacy have not yet been solved.

SENATOR BYE: Okay we'll look forward to working with you on that. I think it's -- I think it's something that's important to us and -- and just so you know because your poor association is left trying to translate between us and you. I mean it's really -- this legislature, at least this particular Senator and I believe my co-chair, that is really interested in data and there's a big difference between aggregate data and population level data in terms of trying to make policy decisions.

And we've really been trying to get population level data that is by individual student but at a population level. So I imagine we'll continue to have conversations to help us understand the higher ed landscape.

But for me it's important that it be at the -- at the student level. I hear your concerns about out-of-state students, you know, who are not Connecticut residents and -- and that sort of thing. My guess is you're bringing in a lot of out-of-state students who end up settling here, especially with the housing that you offer on the shore.

The other -- the last question that I have is about the tuition. In our -- some of our higher ed approach subcommittee meetings have been asking, you know -- and I think this is a national question as well as a state question, does the availability of financial aid -- is that part of what's driving up the cost of college? I mean I know I just got a bill for my daughter's freshman year that was \$58,000 a year. I'm lucky that it's one of those need blind colleges so that's very helpful.

But you know \$58,000 there's no one who could afford that. I put myself through college at \$7,000. I'm sure that inflation doesn't touch that but there's been an increasing investment in, you know, trying to help students get that degree. We see it as an important national and state initiative.

But does giving financial aid allow the cost of college to simply keep rising? So that's my question.

FATHER JEFFREY von ARX: Again I'll -- I'll begin if I may, certainly in the last couple of years, and as we're looking at this year's budget, we are -- we are certainly going to be, and have been, reducing the tuition increases to levels that we haven't seen in 35 or -- or 40 years and I -- I would venture to say that our tuition increase for this year will be below the cost of living.

At the same time we have been cutting back and trimming operations at the University precisely in the interest of providing additional financial aid to students whose circumstances have changed and -- and they present themselves as more needy and also in order to maintain the



kind of socio-economic and racial and ethnic diversity that is -- is so important to us.

So if -- if I can portray it we are trying to keep tuition increases very, very moderate, below the cost of living, at the same time that we are looking very carefully at the reallocation of resources in our institutions in order precisely to provide the financial aid to students who -- who are needy and wouldn't be able to attend otherwise.

SENATOR BYE: Okay, super. I really -- I really appreciate that and I appreciate you coming up here and waiting patiently --

FATHER JEFFREY von ARX: Certainly.

SENATOR BYE: -- to testify.

FATHER JEFFREY von ARX: We hope it will be worth it.

SENATOR BYE: Pardon?

FATHER JEFFREY von ARX: We hope it will be worth it.

SENATOR BYE: Well -- well -- I mean I think it's worth it for us because you're --

FATHER JEFFREY von ARX: Thank you.

SENATOR BYE: -- providing a really important perspective for us.

FATHER JEFFREY von ARX: Thank you.

SENATOR BYE: And it helps to hear the people that are making it work on the ground versus, you know, high level policy discussion. So it -- it's definitely worth your time and -- and we really appreciate it.

Thank you.

FATHER JEFFREY von ARX: Grateful for your time, too.

SENATOR BYE: Next on the list is President Jones.  
Did you walk here or ride your bike President  
Jones?

JAMES F. JONES, JR.: (Inaudible)

SENATOR BYE: You're -- you're very close. I'd like  
to start by thanking you for my fabulous intern,  
Paige, who has been incredible.

JAMES F. JONES, JR.: I know -- I know she's your  
intern and thank you for what you've done for  
her. She's one of our best.

So Representative Willis and Senator Bye and  
ladies and gentlemen of the Committee, for the  
record I am James F. Jones, Jr. I am the  
President of Trinity and I'm here to testify  
against Section 2 of S.B. 28, An Act  
Implementing the Governor's Recommendations  
Concerning Higher Education. To my right is  
Larry Dow who is our Dean of Admissions and  
Financial Aid.

The section that I object to exempt students  
attending institutions with more than 200  
million in endowment assets from the Connecticut  
Independent College Student Grant Program.  
We're one of Connecticut's finest independent  
colleges. We are one of the oldest and we enjoy  
an excellent national and worldwide reputation.  
Proof of that is that for the class that just  
matriculated we had 50/50 percent increase in  
completed (inaudible) for the class that will  
matriculate in the fall, another ten percent on  
top of the 50 percent that we had last year and  
that brings us to 7,700 plus applications that

come from all over the world.

In the United States our students attend 2,700 high schools and that's true as well for the number of high schools that we recruit from abroad.

Despite this diverse applicant pool we are deeply committed to admitting and providing financial assistance to our Connecticut residents almost one in five. Of every enrolled student at Trinity is a resident of the state and we provide almost \$5 million in institutional aid to Connecticut residents.

Trinity's four and six year graduation rates are among the best in the nation and certainly in the State of Connecticut. CICS recipients represent students of great diversity from across the state choosing the widest range of academic majors and representing the widest range of backgrounds.

Under-represented minorities receive 34 percent of the grants awarded while our overall minority population on campus is 17 percent. And 20 percent of recipients are from Connecticut's major cities. CICS recipients have fantastic graduation and retention rates. Of the Trinity seniors who received CICS funding in the academic year 2010-2011, the percentage who graduated was 100 percent. You didn't mishear me, 100 percent.

Of the Trinity first year students who received CICS funding in the fall of 2010, the percentage who completed their first year successfully and returned as sophomores in the fall of 2011 was 100 percent.

This remarkable first year retention is actually

higher than the overall return rate of some 92 percent of all first year students. For fiscal year 2013 the College will spend 5.1 percent of its current endowment value to fund operations. This will amount to \$20 million.

Of the College's annual commitment of 34 million in financial assistance to our students, only 4 million -- only 4 million, which is some 12 percent, is funded by the endowment. The rest must be provided by the reduction of tuition, revenue from enrolled students.

Additional commitments on Trinity's endowment come from \$150 million in debt and \$125 million in plant maintenance, leaving a net worth of \$125 million. Despite our significant commitment to providing financial aid, we cannot currently meet the needs of students in our applicant pool. To do so Trinity would need to spend an additional \$10 million each year in additional financial aid. In order to generate this kind of funding an additional endowment value of \$200 million would be required.

Loss of CICS funding would only widen the already significant gap between the number of admissible students who can afford to attend Trinity and the much smaller percentage of applicants for whom financial aid must be provided.

CICS funding helps the best and brightest of Connecticut's most deserving students attend one of the state's premier institutions of higher learning. The funding is necessary for Trinity to provide access for these students and the loss of CICS funding would significantly impede our ability to respond to the needs of these wonderfully successful students who reside in our state.

Continuing to provide aid and access for our own Connecticut students remains one of Trinity's highest institutional priorities but we cannot do this without your help. So I urge you not to pass this bill and to make sure that the program does not suffer yet another cut in appropriation levels for next year.

Even in the face of a difficult state budget continued support for the existing state need based grant programs must be seen as a crucial investment in our workforce and in our society.

Thank you very much.

SENATOR BYE: Questions from Committee members?

I -- I have one -- oh I'm sorry -- I'll go quickly -- that is about the requirements that come with the CICS program. So are there any requirements besides data, like non-discrimination or other sorts of policies, that need to be in place if you receive CICS funding? Like we fund a lot of things as a state and a lot of times there are rules that go along with that. Are there any rules that go along with the CICS funding?

JAMES F. JONES, JR.: No (inaudible).

SENATOR BYE: Okay that was one of my questions. I have another but I'm going to turn it to Representative LeGeyt who's had a question as well.

REP. LeGEYT: Thank you, Madam Chair.

Good afternoon. Again I want to say that I'm, at this point, not in support of this bill. I'm very concerned about the cuts to CICS funding

and the significant percentage that it -- that the cut represents of the total amount of the CICS funding that's provided by the state. I think it's disproportionate to what other programs that the state is trying to manage.

However Secretary Barnes when he was here earlier, I'm not sure if you were here when he testified --

JAMES F. JONES, JR.: We got part of it.

REP. LeGEYT: -- expressed a concern that he felt that CICS funding to private -- private colleges allowed them to then use portions of their endowment to provide more aid to out-of-state students just by a transfer of -- of coverage. And in the last -- Father von Arx who was here - - there was a sentence in there about leveraging and, while I don't believe that that's -- that's the intent of any institution to do that, since the Secretary brought that up I'd just like to offer you the chance to comment on the use of CICS funding and whether it supplants funding that might to go out-of-state students.

JAMES F. JONES, JR.: I can speak only to Trinity and the specifics but I certainly think this is true for the vast majority of the private schools in the Connecticut consortium.

His argument is -- is extremely hard for me to follow. Because of -- of our endowment, \$4 million is restricted for financial aid. We make up the rest of it. It's an operating budget hit. It's the second largest hit in the entire College's budget bested only by faculty and staff salary and compensation.

So the argument -- I mean maybe if we had Harvard's endowment, you know, I would feel

differently about his position but I -- I've never been able to follow this in a Cartesian way because for Trinity we're spending 4 million of the endowment for financial aid and the rest of the money is coming right out of the operating budget.

So I don't -- I've never quite understood where the basis of his repeated statement is founded upon. I've never figured that part out. I mean we're not -- we don't have \$28 billion, you know. And so I've never -- I've just never been able to follow it.

The only concern that I have, Father Jeff alluded to it on behalf of all of us, is -- his data -- we're trying to do what he wants on the data. But it's very hard to figure out how much specific information you provide from students who are not residents of the State of Connecticut and how do we make sure that we're not invading somebody's privacy by -- by trying to produce all of this.

But we continue to try to produce the data and we will continue to try to produce the data. I don't know when we will ever convince him but maybe he will come and explain to me how we're using endowment monies in a different way because of CICS. I don't follow it because it's only \$4 million.

LARRY DOW: I would only add (inaudible). I think the question (inaudible).

A VOICE: Larry, Larry could you push your button and turn the mic on? Thank you.

LARRY DOW: I always wanted to push my button. Thank you.

I will say that the question has been addressed in a sense already but I think it's -- it's a -- a misdirected question. If the question -- if I may rephrase it to say -- it sounds to me as though the question is asking if CICS money is removed from our financial aid budget, are we willing to testify before you today that -- that that money will be shifted from the general financial aid fund to continue to provide the exact same level of funding to Connecticut residents and will be -- will we be able to guarantee that we are able to admit the same number of needy Connecticut residents?

Because certainly the math I think it's -- it's almost a trick question. The math I think is irrefutable. To have CICS support certainly allows us to stretch the financial aid budget in various directions and I think it would be disingenuous to suggest that that's not the case.

But that misses the point I think badly regarding the proportionality of what we're talking about. We are not here to boast about 7,700 applicants. We're here to say that in light of those numbers, we have made a -- a strong commitment institutionally and again I want to emphasize the word that has been used before, the partnership involved and it is a three-way partnership. When the question was asked will CICS money reduce the -- the requirement of the CICS recipient's family? Essentially the answer is -- is no because we are using a methodology that is an attempt to be fair across the board.

I think the key gets back to the admissibility of these students and our ability to provide funding for any students who are admitted in order to make their enrollment realistic and the



-- what CICS does is it helps Trinity maintain its own commitment which is frankly supplanted quite generously from our operating budget to provide access to Connecticut student who wish to attend an independent college.

And the other thing I would just like to mention is that as -- as a state our independent colleges are certainly in competition with independent colleges from other states. So when students make the intelligent choice, and it isn't for everyone, but when they make the thoughtful choice that attending our kind of institution is where they will belong and where -- where they will flourish, we want to be in the game for those students and we don't want to be losing them to comparable independent colleges elsewhere.

SENATOR BYE: Thank you very much.

Thanks for that question because I think that was a very, very important question for us. For me it's bringing together a lot of things because Representative Willis talked about need blind colleges and there are only 12 or so in the country so that's a rare animal.

So you're trying to get as many students that you can in with need because of part of your mission as a college and the CICS grant helps you do that in effect.

LARRY DOW: Absolutely.

SENATOR BYE: And so it's all coming around.

LARRY DOW: That's very true.

SENATOR BYE: Because otherwise you'd maybe have to take a full pay family from either Connecticut

or some other state if you didn't have the marginal CICS dollars to get them to what you're trying to get to is what the FAFSA says parents can pay and CICS helps you get there which allows you to accept more Connecticut students, so --

LARRY DOW: That's absolutely correct.

SENATOR BYE: A bell just -- a light just went off in my head with that answer. I have a -- a couple of other things. First on the data I want to just touch base because I know that's a touchy subject and I don't know if you know this, President Jones, but I ran the Trinity College Community Child Center and --

JAMES F. JONES, JR.: Yes I do know.

SENATOR BYE: -- we took school readiness children who got school readiness funding from the State of Connecticut and what happened over the years -- for the first few years there were no requirements but then over time we wanted to see how we were doing. And so I had to provide data, at first, about the children who received school readiness funding and then -- and all the teachers, even if they were not teaching children who got school readiness funding, and then, over time, I had to collect data about every student so that the state could make comparisons about the impact of school readiness.

So it was something that, at every point, we challenged but I would say at this point now I'm a policymaker not a director fighting for the -- fighting -- because it was a pain in the butt too. I mean it wasn't just that -- the privacy --

JAMES F. JONES, JR.: Right.

SENATOR BYE: -- it was -- it was a lot of data that they were requiring. So I just use that as an example of when our program decided to take state dollars there were certain requirements that came with that and they weren't always the easiest to comply with.

But I -- I think now that I'm a policymaker I'm trying to go toward that same level of data so we can understand the whole picture of higher ed. I also just wanted to make sure that I -- I thanked you, President Jones, for your commitment to students from Hartford and needy students from surrounding communities because having worked on the campus it is a big part of your landscape.

JAMES F. JONES, JR.: Yes it is.

SENATOR BYE: And your commitment to the city is really important to our state and it sounds like you're certainly using the CICS dollars--

JAMES F. JONES, JR.: We're trying our best.

SENATOR BYE: -- to help accomplish that.

I have one other totally off topic question but it's a burning issue for me is how can we get our liberal arts colleges to start training teachers again because we have a crisis. You have people like Jack Dougherty on your faculty.

JAMES F. JONES, JR.: Right.

SENATOR BYE: And you have a lot of students who I've had as interns who are in educational studies with an interest in education and I'm married to a teacher who went to Trinity and was trained

REP. WILLIS: Thank you.

And thank you for coming here today. I really appreciate it as we try to get our arms around this issue and how we deal with it.

I asked the question of Fairfield, tuition and board at Trinity is?

JAMES F. JONES, JR.: Fifty-seven thousand.

REP. WILLIS: Wow I'm glad I went to school --

JAMES F. JONES, JR.: Don't we all?

REP. WILLIS: I'm glad I went a long time ago. Day students -- I didn't ask this -- town students, how many do you have?

JAMES F. JONES, JR.: Not many because we're a residential liberal arts college but maybe the Dean knows.

LARRY DOW: If I may put this, with all due respect to the -- the population as defined by age, most of the traditionally aged students are in residence on campus, a small percentage are in private housing. We also do have a program that is called the individualized degree program and it is by definition a non-resident, in terms of the campus residency, a non-resident program.

So there are probably 100 to 200 students from the Hartford region who are not on campus in residence but are attending --

REP. WILLIS: And those are primarily returning students what you would call --

LARRY DOW: Primarily students who have -- who, by virtue of their age frankly, have other

responsibilities that they must sustain: family, jobs and the like and are usually already residing in -- in a particular place and will -- will take courses without residing in the dorm system.

REP. WILLIS: I also want to comment I thought your -  
- the comp -- the competition -- your comment regarding the competition with other private institutions and institutions from other states and keeping Connecticut students here making it more affordable to them.

This is -- but at the same time you have to balance out having a diverse student body and that's very important I believe to any college. One of the things that I found interesting with -- with my children was the further west they went in their acceptances the more the financial aid was because there was a push.

So, you know, a west coast college was very generous, extremely generous in their financial aid package. Of course my daughter didn't decide to go there but that's -- but -- but we did notice that pattern that if you went from the east coast where there was nothing, you know, in Connecticut, to as you -- we traveled westward they got richer and richer.

So I don't know if that's something you do if you want somebody from California or China or whatnot. Do you tend to put together a special incentive to their financial aid package to attract?

LARRY DOW: No I -- I can't claim to be a true authority on -- on the history of financial aid throughout the entire country but essentially I think you're referring to an historical reality whereby in the northeast and in the east where

there has been a predominance of independent colleges that 30 years ago the philosophy of meeting need became the premise that most of us were operating on.

Whereas, meaning no disrespect to the Midwestern colleges and the western colleges, they came -- they came from a tradition, if you will, of offering merit money beyond demonstrated or calculated need much more readily and much -- in a much more common fashion than the -- than the eastern schools.

We're starting to blend, as everything else is in the country, but I would say we come from -- from different traditions in terms of how financial aid is administered.

REP. WILLIS: Very interesting. Thank you. That was very insightful.

Any other questions or comments?

Hearing none, thank you very much gentlemen.

JAMES F. JONES, JR.: Thank you.

REP. WILLIS: Elaine Solgina, did I get that right, from Connecticut College?

Welcome.

ELAINE SOLINGA: Thank you. My name is Elaine Solinga. I'm the director of financial aid at Connecticut College. Connecticut College currently provides financial aid to 48 percent of our students. Connecticut recipients, including 142 CICS recipients, were awarded more than 4 million in institutional grants in addition to the 400,000 from the CICS program.

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Let me share with you some statistics that demonstrate how effective the CICS program is on our campus. Twenty-four percent of the CICS recipients are students of color compared to 16 percent of our undergraduates. Twenty-three percent of freshman CICS recipients are 1<sup>st</sup> generation compared to 13 percent of the overall class. Thirty-one percent of CICS recipients are Pell eligible compared to 14 percent of our undergraduates.

Connecticut College is proud to be able to meet the full demonstrated need of our students which has been vital especially in this weakened economy. We are committed to educating Connecticut residents and we need support from all sectors, including the state and federal governments to make this happen.

The current value of our endowment is estimated at 195.2 million after this year's committed draw for the spend rule. A spend rule of five percent is used to help fund our operating costs. The goal of the endowment is to serve students in the future in the same way it does today.

Our total institutional grant budget for this year is \$24.7 million. Approximately 2.8 million is funded from the endowment. Most of these funds are restricted meaning that they are earmarked for students with specific characteristics. The balance of our annual grant budget is funded through tuition revenue, annual fund raising and gifts.

In this economy Connecticut College is mindful of its price and its impact on our ability to continue to enroll and fund deserving students. If CICS funding were to be eliminated, we would have to make some difficult choices. Quite

frankly, we would likely admit fewer high need students from the State of Connecticut.

I would be happy to answer any questions that you might have.

REP. WILLIS: Thank you very much.

Any questions or comments from members of the Committee?

Thank you very much. We haven't -- the -- my co-chair on the Appropriations Subcommittee on Higher Education is a graduate of your school, Senator Maynard. So I think the other members of the Connecticut Conference owe you a tremendous debt of gratitude because I think that'll be very helpful in the process. Thank you very much.

ELAINE SOLINGA: Could I just clarify?

REP. WILLIS: Sure.

ELAINE SOLINGA: There was a question that you asked earlier about -- about the -- oh yeah the tuition, ours is 54,970. Our increases have been approximately 3 and a half percent for the past three years.

There was a question about were there any specific criteria for awarding the CICS grant and yes there are some criteria. You have to allocate a certain amount for students of color. It's need based. There -- obviously it goes to Connecticut residents and community service is also a piece that has to be met with this funding.

REP. WILLIS: Is that your -- that's your rule or --?



ELAINE SOLINGA: No that's the State of Connecticut  
CICS --

REP. WILLIS: Could you give me that information  
again?

ELAINE SOLINGA: A percent of the CICS funding must  
go to students of color, minority students.

REP. WILLIS: And what is the percentage do you know?

ELAINE SOLINGA: I -- it's 10 percent. It is need  
based obviously to Connecticut residents and  
there is a community service portion that is  
given to schools to help students volunteer in  
their local community.

REP. WILLIS: Can you explain that a little bit more.  
I'm just -- I'm not sure I understand how that  
works.

ELAINE SOLINGA: Of the CICS funding we receive,  
approximately 6,000 is reserved for students to  
work in volunteer services. It's similar to the  
federal program, the federal work study -- a  
component is used for community service. A  
percentage -- a component of the CICS grant is  
used for community service.

REP. WILLIS: Institution -- your -- you have to pay  
out \$6,000 for students to participate and you  
pay that for them to go down and work at the  
soup kitchen or --

ELAINE SOLINGA: No that -- it comes from the overall  
pot of money that the state sends the college.  
We have to use a portion of that to fund  
community service jobs in our area.

REP. WILLIS: Wow it's really interesting that no one  
else has ever mentioned that. That's -- that

was really --

ELAINE SOLINGA: And it is statutory.

REP. WILLIS: And the rest of them didn't know that. They should have gone to Connecticut College. Okay.

Senator Boucher.

SENATOR BOUCHER: Thank you, Madam Chairman and thank you for your testimony.

Could it be inferred that -- that possibly then minority students could be disproportionately affected by this particular change?

ELAINE SOLINGA: Yes. I would -- I would say that that would be a result because it is in the language that you have to designate a percentage of your allocation to students who are under-represented.

SENATOR BOUCHER: And further the concern about whether these grants were going to the students or -- or, you know, affecting the cost structure for the university itself, it sounds like just by those terms that are stipulated -- restrictions that in fact you are having to use that grant for Connecticut students with the parameters that were set in there would you say?

ELAINE SOLINGA: That is correct. And I will add that all colleges are audited annually, at least I can speak for those independent colleges in Connecticut. We do a federal audit every year and part of the federal audit that we do at Connecticut College, conducted by an independent auditing agency, is they audit the CICS grant, separate from the state audit.

So they are verifying that Connecticut resins -- residents are in fact benefitting from the CICS grant. They are verifying that we are awarding as stipulated in the statute. This is something that we do every year.

SENATOR BOUCHER: Thank you so much for that very important addition to your testimony. I think maybe these are some of the answers that our Secretary Barnes was really looking for and it's too bad that he wasn't here to hear it but hopefully it will be in the transcript.

Thank you very much for your testimony, very, very helpful.

REP. WILLIS: Thank you. Your testimony was very helpful and very insightful.

Next up is Wesleyan, John Gudvondra?

You're done.

JOHN GUDVANGEN: Okay then thank you very much. Hi my name is John --

REP. WILLIS: Welcome -- welcome.

JOHN GUDVANGEN: -- John Gudvangen. I'm the director of financial aid at Wesleyan University in Middletown. We appreciate the opportunity to provide some compelling information and perhaps maybe even some corrections to what we've heard earlier today on why it is important for the State of Connecticut to maintain its commitment to providing funding for the Connecticut Independent Colleges Student Grant Program.

In particular we are concerned with the provision to strip funding for students based on the size of the endowment at the institution

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they attend. We believe the elimination of CICS funding undermines Connecticut's goal to strengthen educational pathways for needy state residents.

When we educate students from the State of Connecticut we save the state significant costs by educating students who might otherwise attend in-state institutions. At Wesleyan we -- we educate well over 200 Connecticut residents each year and this year we are providing over \$3 million in our own grant funding to 104 needy Connecticut residents.

We receive only \$306,000 in CICS grant program funding during the current school year, a number that is down over 30 percent from two years ago. This year we have 64 students receiving the CICS program funding and 47 percent of them are minority students.

Our entering class average grant is well over \$37,000 and we receive -- our CICS grant recipients get about \$4,700 each. We continue to make significant commitment to educating these residents and meet their full financial need. The program is an important part of what makes it possible for us to sustain the commitment to meeting the financial need of these students.

In the last three years Wesleyan has provided double digit increases -- percentage increases in our grant commitment to needy students despite the painful reductions to the endowment during the economic downturn. We can't sustain that level of financial growth -- financial aid growth.

We dedicate sizable portions of the University's resources, including endowment earnings, to

provide access and opportunities to students from Connecticut and all across the country and the world. Our percentage of federal program eligible students has nearly doubled in the entering class over the last five years, certainly a higher percentage than the University of Connecticut, who I might add has the University of Connecticut Foundation at over \$200 million in endowment.

Twenty-one and a half percent of this year's entering class is receiving a Pell Grant. We provide aid awards with reasonable loan levels and we reduce or eliminate loans for need -- for the neediest students including those from Connecticut.

That is, in fact, a very big commitment to be able to reduce loans and meet full need. We provide access and opportunity for the best and the brightest students of Connecticut to remain in-state. Well over 90 percent of our students graduate from Wesleyan University and nearly all of them in four years. The CICS program is an important component to leverage the funds necessary to sustain our commitment to student success.

So we are urging you to provide at least a nominal commitment to needy Connecticut students at Wesleyan University and the four or five other institutions in this category.

The proposal before you eliminates Connecticut funding for students as we've talked about with endowments over \$200 million, certainly an arbitrary measure that takes into account nothing other than the size of the endowment, how much the -- the institution receives from other sources of funds or how it uses its endowment.

Our endowment, which is under \$600 million, must provide resources to a wide variety of needs at the institution. It's not possible to simply reassign the endowment to financial aid and it should be clear that the payout from the endowment is nowhere near the institution's annual financial aid commitments. Wesleyan University is providing over \$45 million in financial aid grants to students this year.

So in summary your continued investment in the CICS program at Wesleyan and the other schools - the other universities and colleges is an enormous -- leverages an enormous amount of additional resources for student success -- for Connecticut students' success. For many of our highest need Connecticut residents admitted to Wesleyan University we are likely the most affordable option for them. Our institutions demonstrate a very strong track record of success in educating and graduating these needy Connecticut residents.

Your decision to maintain CICS program funding for these students at these schools will provide an enormous return on your investment.

Thank you for your consideration.

SENATOR BYE: Thank you so much for your testimony.

Any questions from Committee members?  
Representative Willis.

REP. WILLIS: I just -- I'll the question tuition at Wesleyan?

JOHN GUDVANGEN: I wrote it down here somewhere, \$43,404 is the tuition. The room and board charge is about another \$12,000 or 13,000

depending on the year in school. So that's just about fifty-five seven -- 55,700 for tuition, room and board for an entering first year student.

REP. WILLIS: You state here 90 percent of your entering students graduate. Do you know what that percentage is for the Connecticut CICS recipient?

JOHN GUDVANGEN: I don't know that -- that particular breakout.

REP. WILLIS: Could -- do you think you could find that out for us because that would be --?

JOHN GUDVANGEN: We could certainly get that information. In fact that's part of the data that we provided recently to the State and is in that report.

REP. WILLIS: Oh.

JOHN GUDVANGEN: Sorry I don't have a copy of that in front of me.

REP. WILLIS: I do.

JOHN GUDVANGEN: But I know that on top of my head.

REP. WILLIS: I do so thank you. But I don't -- okay -- okay -- that was the extent of my questions. Thank you very much. Thank you for coming.

SENATOR BYE: Thank you. You get off the hook because you know you're after many other college presentations --

REP. WILLIS: Right.

JOHN GUDVANGEN: That's right, right.

SENATOR BYE: -- and I think they've been really helpful to us and them. Thank you for your commitment to need blind.

JOHN GUDVANGEN: If you don't mind if I -- if I add one thing.

SENATOR BYE: Yeah go ahead.

JOHN GUDVANGEN: In relation to --

SENATOR BYE: You've been listening and you're here.

JOHN GUDVANGEN: -- in relation to what I heard this morning, it's actually counter to the legislation -- the current legislation to think that Mr. Barnes would -- would say that we should be reducing the family's contribution differently if they get the Connecticut grant. That would be illegal because -- I think it might not be illegal if it's need based but if you're, in fact, basing this on need, you meet need -- in this partnership that we've all talked about to -- to meet need if we say well whose -- whose dollars should we then start using as merit dollars essentially.

When the Rotary Club gives a scholarship should we treat that differently than a CICS grant? Should we treat that differently than the federal grant? Should we treat it differently than a Wesleyan grant? It's counter-intuitive to, in fact, what the state says is important about meeting needs and providing funding for the neediest students. It is in fact a need based program.

SENATOR BYE: Well thank you for that and I'm -- I just want to follow up with -- to try to clarify what I think his point is which is that, you



know, he's under incredible pressures, you know, the state that is -- there's a lot of demands. People whose children will never go to college because they struggle with developmental disabilities and we're way under funding what we should be paying to those homes.

So I think what's happening is he's operating in a world of diminished --

JOHN GUDVANGEN: Very limited resources.

SENATOR BYE: -- resources -- thank you for the word -- and, you know -- so he's saying to himself is this the kind of investment that will really help the families and, as a parent of a child in college, you know, I -- I get his point because I fill out a FAFSA and no matter what's paying for what, my parent contribution is the same as you're saying.

And if you do get another scholarship, it might reduce a loan or other things. That's -- I have to say it's one of the great frustrations as a parent. If your child gets a scholarship, your payment stays the same. You know you get excited at this assembly but not for long.

So I think his thinking is how is the dollar best spent for the state and I think we've heard compelling testimony today that this is a very good investment for Connecticut. But I -- I think that you have to take his comments in the context of limited resources.

JOHN GUDVANGEN: I served as a school rep member for 12 years. I -- I understand the limited resources in all sorts of areas.

SENATOR BYE: Thank you very much.

JOHN GUDVANGEN: Thank you.

SENATOR BYE: Next on the list -- list is Nick Yoia -  
- I hope I'm saying correctly. Correct me if  
you will. Welcome.

DOMINIC YOIA: Thank you. Good afternoon. My name  
is Dominic Yoia. I'm the director of -- senior  
director of financial aid at Quinnipiac  
University. As you know last year legislators  
were conflicted -- confronted with making some  
difficult decisions in balancing the state  
budget in an economic environment that no one  
has seen since the great depression.

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Like most state programs, higher education  
received its fair share of program cuts and when  
all was said and done, the Capitol Scholarship  
and the CICS grant programs suffered tremendous  
cuts in funding and, to a large extent, students  
and their parents were left to make up the  
difference.

While I think it -- that most of us in higher  
education understood the gravity and severity of  
Connecticut's state budget crisis, no one was  
prepared for the news that six private colleges  
received last week. Students who choose to  
attend one of a select group of six private  
colleges, with the highest graduation rates in  
Connecticut, would no longer qualify to receive  
CICS funding.

What you may not know is that there are a number  
of federal aid cuts scheduled for the upcoming  
academic year which will impact every student  
receiving financial aid at every single college  
in the country and here are just a few items  
worth noting.

Subsidized Stafford loan interest rates are sche

-- rates are scheduled to double in July. Subsidized Stafford Loans have been eliminated for graduate students. There are no increases scheduled for the federal Pell grant program. SEOG and work-study programs have been reduced. ACG, SMART and LEAP grant programs have been eliminated. The Perkins loan program has not received a federal capital contribution in 10 years. Interest rates on federal parent loans are currently at 7.9 percent, higher than any interest rate a consumer would pay in today's market on any type of conventional loan.

That basically covers every single Title IV federal student aid program we have on the books. What I didn't put in here, and I found out yesterday, was the VA had also made cuts to their programs and I -- and I say that because I had a student visit me in the spring semester where that actually happened and she was left with an \$8,000 deficit. Unfortunately found that out yesterday.

Quinnipiac University continues to be one of the three largest beneficiaries of the CICS grant program which allocates funds based upon a number of Connecticut students enrolled at each institution. At Quinnipiac 81 percent of our students are receiving some form of grant or scholarship and last year 526 students received the CICS grant.

CICS funds are appropriated to needy students and a portion of each college's allocation is spent on minority students and students serving in community service positions such as soup kitchens, food banks, nursing homes, animal shelters and inner-city schools, to name a few.

I know that many of you are questioning how will eliminating our institution from the CICS

program really affect Connecticut students and I think that's a fair question. The short answer is a harsh one. When you reduce or eliminate a grant program you leave a student with three viable options: parent loans, private loans and short-term monthly payment plans.

And when we collectively make cuts across federal, state and institutional aid programs we send higher education back 100 years where attending college was based upon a family's wealth and not a student's academic potential.

I respectfully ask that we don't view the CICS program as an expense but rather as an investment. It's an investment in our students, in our communities and all of our futures. Thank you for listening and I humbly ask for your support in assuring that low and middle income students in Connecticut can continue to pursue their educational aspirations at six of the finest private colleges and universities that Connecticut has to offer.

Thank you.

SENATOR BYE: Thank you very much for your testimony and I think you're the first person that's put the cuts in the context of other national cuts which, as a parent of three in college next year, makes me swallow really hard as we await our financial aid decision. So I think families are under increasing pressures to afford college as it becomes less affordable.

I think today we've heard virtually every college costs between \$50,000 and \$60,000 at the private institutions and I think we can see why there's such a demand for our in-state institutions as well to -- to be affordable and we subsidize those as well.

So I -- I appreciate your testimony.

Representative Sawyer do you have any questions or are you good?

And thank you for coming.

DOMINIC YOIA: Thank you very much.

SENATOR BYE: And I appreciate your patience.

DOMINIC YOIA: Thank you.

SENATOR BYE: Next on the list is Barbara Richards.  
Welcome Barbara.

BARBARA RICHARDS: Thank you. Good afternoon those of you remaining and thank you.

SENATOR BYE: Good afternoon and just know, you know, as you -- it -- it doesn't look like there are a lot of people here but in fact, you know, we did all receive your correspondence and have raised this bill to address your concerns and I know it's --

BARBARA RICHARDS: Oh -- oh that's nice to know.

SENATOR BYE: -- very important to my co-chair, Representative Willis. Oh yes.

BARBARA RICHARDS: Yes I know it is too and -- and I have been corresponding with her so thank you very much.

SENATOR BYE: Thank you very much for coming.

BARBARA RICHARDS: Okay. I'm a professor of sociology at Housatonic Community College, a former member of the standing advisory committee

SB42



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**Testimony for the  
 Higher Education & Workforce Advancement Committee  
 From  
 Judith B. Greiman  
 Connecticut Conference of Independent Colleges  
 February 28, 2012**

On behalf of the member institutions of the Connecticut Conference of Independent Colleges (CCIC), I am submitting testimony regarding two bills before you today.

We oppose section two of **SB 28, AA Implementing the Governor's Recommendations Concerning Higher Education** and have concerns regarding section three. Section two of the proposed bill would exempt students attending institutions with more than \$200 million in endowment assets from the Connecticut Independent College Student Grant program.

**CICS funds students in need--not institutions.**

- This cut will directly affect Connecticut students from middle- and low-income families. CICS recipients are needy kids from Connecticut going to college in Connecticut. These educated students are most likely to stay here after graduation thereby enhancing our workforce.
- Studies have shown that CT lags among its peers in degree productivity. CT needs its high school graduates to pursue higher education if the state is to have a highly-qualified workforce to meet the needs of the state's employers. Private colleges are far more productive than their public counterparts, especially the six institutions that would be eliminated from the program if this bill is to pass. These six schools have four year graduation rates of 68%-89% and six year graduation rates of 75%-98%; these numbers far exceed the average graduation rates for Connecticut's public higher education institutions: [http://www.theccic.org/Content/WWW/CMS/files/2010 Grad Rates- CT Schools all.pdf](http://www.theccic.org/Content/WWW/CMS/files/2010%20Grad%20Rates-CT%20Schools%20all.pdf). Further, eliminating six of the nation's best universities from the CICS program will only cause more of Connecticut's best and brightest students to leave the state upon graduating from high school and never return. SB 237
- In today's economy, the relationship between income and employment and educational attainment has strengthened such that higher education is far more important to the economic welfare of individuals than it has ever been. Add to that Connecticut's need for an educated workforce to attract the technology, bioscience and other employers that are the bedrock of our economic future.

Albertus Magnus College, Connecticut College, Fairfield University, Goodwin College,  
 Mitchell College, Quinnipiac University, Rensselaer at Hartford, Sacred Heart University, Saint Joseph College, St. Vincent's College,  
 Tnnity College, University of Bridgeport, University of Hartford, University of New Haven, Wesleyan University, Yale University

**Focusing on higher education endowments is bad public policy.**

- Endowments are already being utilized to support the academic and physical needs of campuses as well as scholarships and community investments. They are under increased stress from the downturn in the economy as both earnings and large donations decreased and are only now starting to climb back up. Additionally, endowment revenues have already been called on to fund higher levels of need-based institutional aid than in the past due to the increase in student need since 2008.
- The legislature has recognized the critical need for college endowments by aggressively supporting growth through matching funds for fundraising efforts at the state's public universities, acknowledging that building endowments is the right thing to do for colleges and universities that cannot be run on tuition and fees alone.

**CICS grants leverage other financial aid dollars.**

- As the state struggles to maintain a balanced budget, the return on investment from the CICS program simply cannot be beat. The FY10 state cost per degree was only \$1,349 at Connecticut's private colleges compared to \$45,130 per degree in the public sector.
- The \$23 million state investment in CICS leveraged an additional \$55 million in need-based institutional aid that was awarded to CT undergraduate students.

**Section three of the bill gives authority to the Office of Financial & Academic Affairs to collect any data it deems necessary for purposes of reporting on higher education matters.** This unfettered grant of power flies in the face of a careful approach to data collection in which the data questions and other policies are determined upfront. As noted in Fordham Law School's Center on Law and Information Policy's seminal research on student databases,

- The collection of information by the state should be minimized and specifically tied to an articulated audit or evaluation purpose;
- Clear data retention policies should be instituted and made mandatory;
- Access and permissible use policies should be well articulated and specific in nature.

Data breaches do take place, even at institutions that adopt rules and procedures for use and care of data, as evidenced by the recent exposure of student information at Central Connecticut State University. We believe that authority to collect data should only be given in limited and specific ways.

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**Raised Bill 237--AN ACT CONCERNING THE SHARING OF INFORMATION BETWEEN THE LABOR DEPARTMENT AND INSTITUTIONS OF HIGHER EDUCATION.**

This bill allows the Department of Labor to share wage and employment data with institutions of higher education for purposes of program evaluation. It would help colleges and universities to determine how their graduates are faring in Connecticut.



Trinity College  
HARTFORD CONNECTICUT

Testimony for the  
Higher Education & Workforce Advancement Committee  
From

James F. Jones, Jr.  
Trinity College

February 28, 2012

Good afternoon Representative Willis, senator Bye and members of the Committee. I am James F Jones, Jr , and I am the president of Trinity College. I am here to testify against section two of SB 28, An Act Implementing the Governor's Recommendations Concerning Higher Education. This section exempts students attending institutions with more than \$200 million in endowment assets from the Connecticut Independent College Student Grant program.

Trinity is one of Connecticut's finest independent colleges and enjoys an excellent national and worldwide reputation. This year, the College has received over 7,700 applications from students attending over 2,700 high schools from across the nation and around the world. Despite this diverse applicant pool, we are deeply committed to admitting and providing financial assistance to our Connecticut residents. Almost 1 in 5 of every enrolled student at Trinity is a resident of this state, and we provide almost \$5 million in institutional aid to Connecticut residents. Trinity's four and six year graduation rates are among the best in the state, if not the nation.

CICS recipients represent students of great diversity from across the state, choosing the widest range of academic majors, and representing the widest range of backgrounds. Underrepresented minorities receive 34% of the grants awarded while our overall minority population on campus is at 17%, and 20% of recipients are from Connecticut's major cities. CICS recipients have fantastic graduation and retention rates. Of the Trinity seniors who received CICS funding in the academic year of 2010-2011, the percentage who graduated was 100%. Of the Trinity first year students who received CICS funding in the fall of 2010, the percentage who completed their first year successfully and returned as sophomores in the fall of 2011 was, again, 100%. This remarkable first year retention is actually higher than the overall return rate of 92% of all first year students

For fiscal 2013, the college will spend 5.1% of its current endowment value to fund operations. This will amount to \$20 million. Of the college's annual commitment of \$34 million in financial assistance to its students, only \$4 million, or 12 percent, is funded by the endowment. The rest must be provided by the reduction of tuition revenue from enrolled students. Additional commitments on Trinity's endowment come from \$150 million in debt and \$125 million in plant maintenance, leaving a "net worth" of \$125 million.

Despite our significant commitment to providing financial aid, we cannot currently meet the needs of students in our applicant pool. To do so, Trinity would need to spend an additional \$10 million each

OFFICE OF THE PRESIDENT

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TEL (860) 297-2086 FAX (860) 297-5359 www.trincoll.edu



year in additional financial aid. In order to generate this level of funding, an additional endowment value of \$200 million would be required. Loss of CICS funding would only widen the already significant gap between the number of admissible applicants who can afford to attend Trinity and the much smaller percentage of applicants for whom financial aid must be provided.

CICS funding helps the best and brightest of Connecticut's most deserving students attend one the state's premier institutions of higher learning. The funding is necessary for Trinity to provide access for these students, and loss of CICS funding would significantly impede our ability to respond to the needs of these wonderfully successful students who reside in our state. Continuing to provide aid and access for our own Connecticut students remains one of Trinity's highest institutional priorities, but we need your help.

I urge you not to pass this bill and to make sure that the program does not suffer another cut in the appropriation level for next year. Even in the face of a difficult state budget, continued support for the existing state need-based grant programs must be seen as a crucial investment in our workforce and our society.

line 6 page 6

*Office of the President*

Testimony for the  
Higher Education & Workforce Advancement Committee  
From  
Rev. Jeffrey von Arx, S.J.  
Fairfield University

February 28, 2012

Good afternoon Representative Willis, Senator Bye and members of the Committee. I am Father Jeffrey von Arx, and I am the president of Fairfield University and the chair of the Connecticut Conference of Independent Colleges. I am here to testify on behalf of the sector against section two of SB 28, An Act Implementing the Governor's Recommendations Concerning Higher Education. This section exempts students attending institutions with more than \$200 million in endowment assets from the Connecticut Independent College Student Grant program (Yale University, Wesleyan University, Connecticut College, Trinity College, Quinnipiac University, and Fairfield University).

These six schools received approximately \$4.8 million in CICS funding this year. All of this money went to needy Connecticut students who excelled academically allowing them to be admitted to some of the country's finest colleges and universities that happen to be located in Connecticut. This money leveraged substantial amounts of institutional aid. In this fiscal year alone, the five that received a CICS allocation gave \$32,609,265 in institutional aid to Connecticut undergraduates.

We believe that the CICS program helps needy Connecticut students attend the academic setting that is right for them, that it helps to ensure that Connecticut's workforce is prepared for the jobs of today and tomorrow and that it is a direct extension of the needed education reform that is underway. The attached charts provide insight into graduation rates, industry cluster degrees in our sector, and minority enrollment. Connecticut is lucky to have such a robust independent college sector. It cannot meet all student and employer needs through its public sector and should be increasing rather than decreasing the relatively small amount of financial aid that goes to students at these institutions.

At Fairfield University, all 272 Connecticut residents who receive the grant would lose it under this proposal. Most of them are from Bridgeport, New Haven and Waterbury, 42 percent are underrepresented minorities and 53 percent are the first generation in their families to go to college. We provide the financial backing necessary to help 595 Pell grant recipients to enroll; 45% of whom are Connecticut residents. We cannot have our collective efforts to eradicate the achievement gap in K-12 education become a financial gap in higher education.

I must also note that last year, we graduated eighty students in engineering, bioscience and technology areas. Sixty-three percent of these technology graduates were from Connecticut. Over half of our alumni live and work in Connecticut. They are Connecticut's teachers, engineers, software developers and scientists. They are vital to the State's economic success.

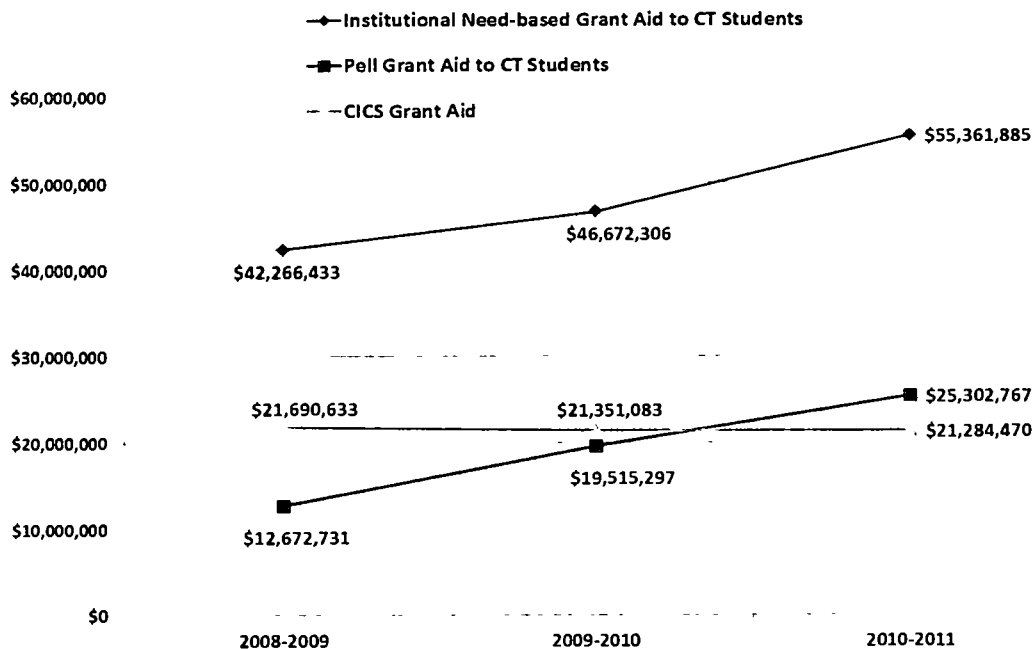
Our endowment spend is already at its prudent limit and the bulk of the money we are allowed to spend already goes into financial aid. We have made substantial cuts to many areas of our budget in an attempt to continue to fund the significant amounts of aid that our students now need. Cutting Fairfield out of the CICS program will hurt needy Connecticut students.

Independent colleges and universities are key participants in Connecticut's economic resurgence. We are market-driven and respond quickly to workforce needs while ensuring that our graduates are prepared to participate fully in our communities. Why not continue to fund a program that economically and effectively graduates such a large proportion of Connecticut's workforce?

Please oppose this bill and maintain CICS at this year's funding level.

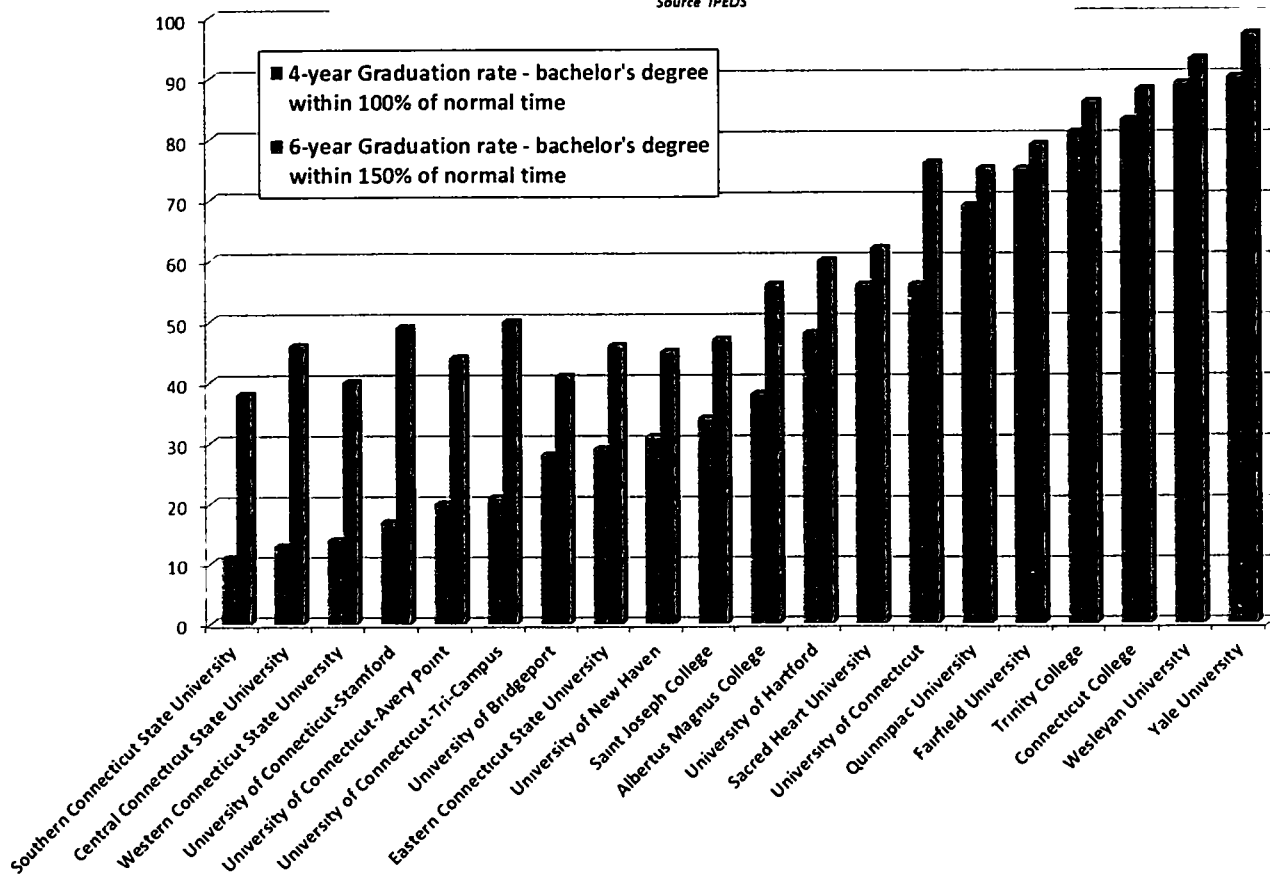
### State, Federal and Institutional Need-based Grant Aid Awarded to Connecticut students at CCIC Institutions: 2009-2011

Sources: DHE CICS Expenditure Report and OFA Budget Book



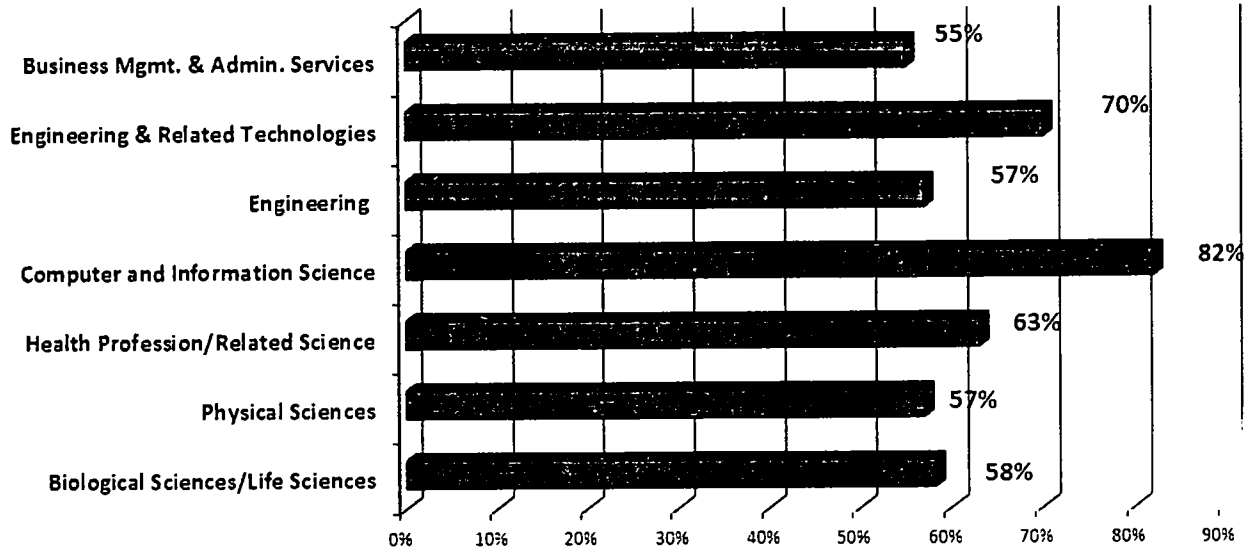
### 4-year & 6-year Graduation Rates for Connecticut Higher Education Institutions: 2010

Source: IPEDS



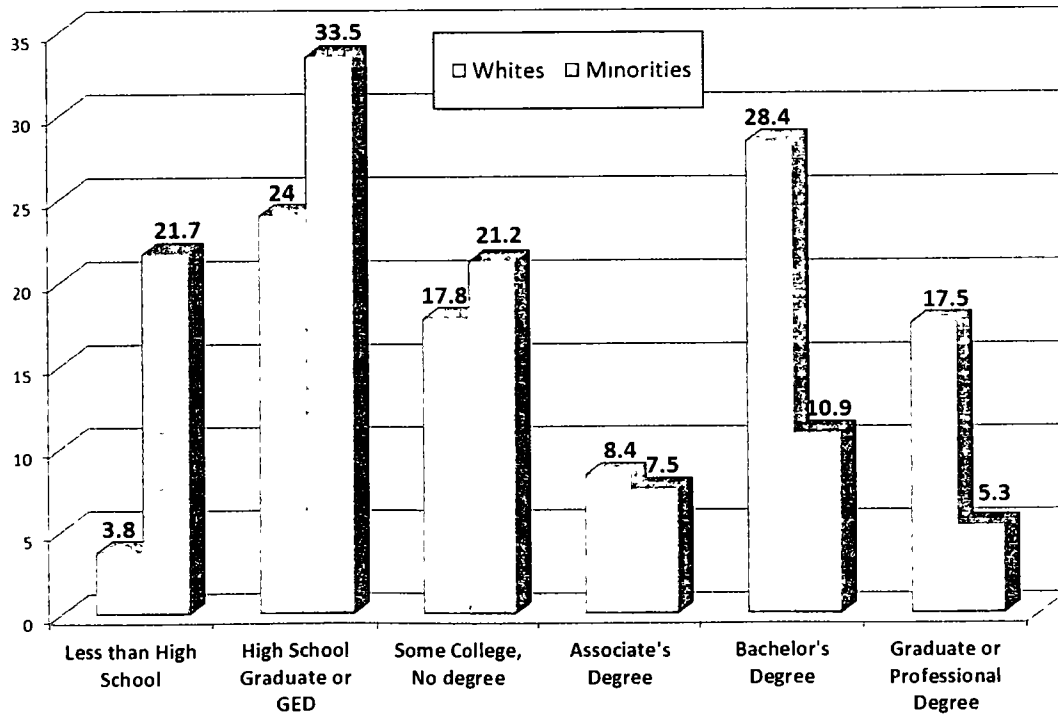
### Statewide Industry Cluster Degrees Awarded by Connecticut Independent Colleges in 2010: Bachelor's and Above

Source: CT Department of Higher Education



### Educational Attainment of Whites & Minorities in Connecticut (Blacks, Hispanics, Native Americans Aged 25 to 44 (2009))

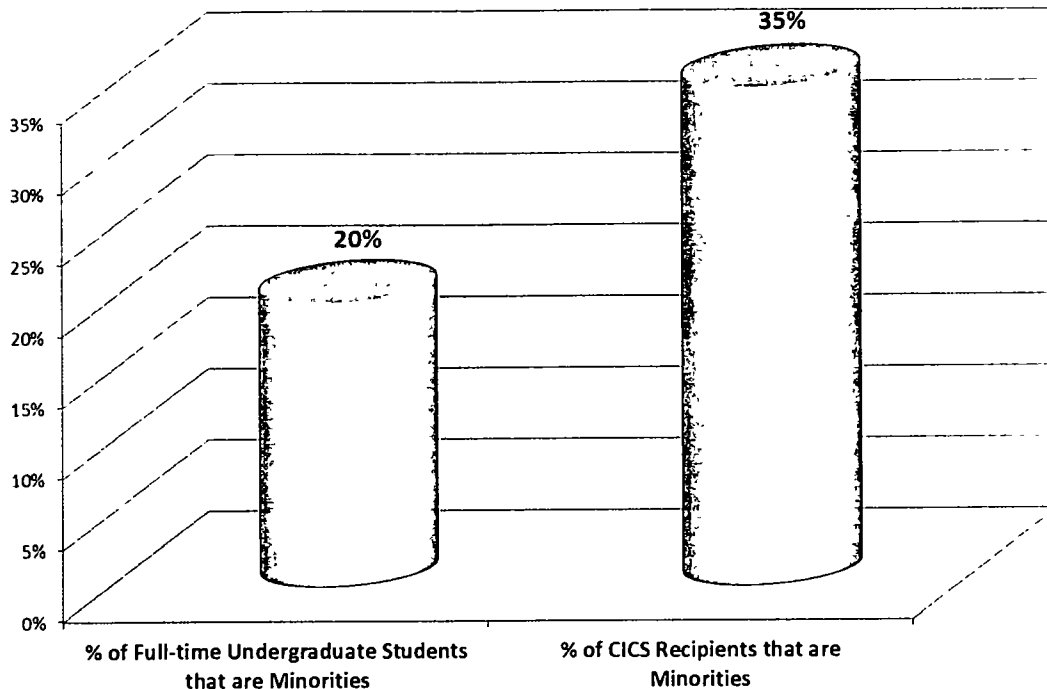
Source: U.S. Census Bureau, 2009 American Community Survey



### Percentage of CICS Recipients that are Minorities Compared to Total Undergraduate Student Enrollment at CCIC Institutions: 2010-2011

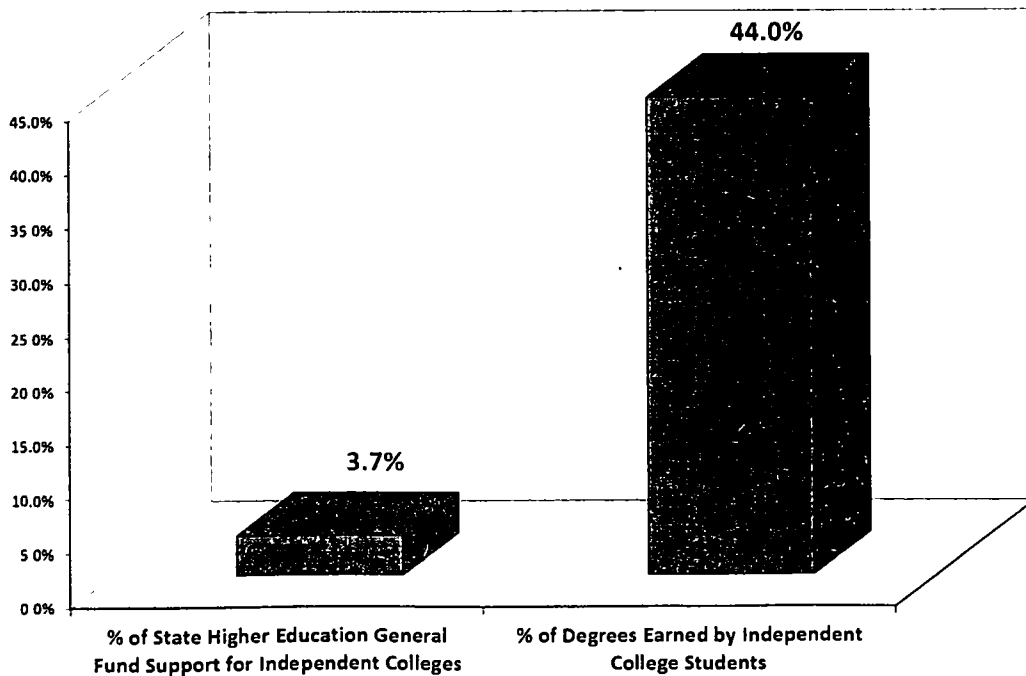
(Black or African American, Hispanic, or Asian)

Source: Ipeda



### Leveraging the State's Investment: 2010-2011

Source: Office of Fiscal Analysis State Budget Book & IPEDS



**TESTIMONY PRESENTED TO THE HIGHER EDUCATION AND  
EMPLOYMENT ADVANCEMENT COMMITTEE**

*February 28, 2012*

*Benjamin Barnes  
Secretary  
Office of Policy and Management*

Testimony Supporting Senate Bill No. 28

AN ACT IMPLEMENTING THE GOVERNOR'S RECOMMENDATIONS CONCERNING  
HIGHER EDUCATION

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Senator Bye, Representative Willis and distinguished members of the Higher Education and Employment Advancement Committee, thank you for the opportunity to offer testimony on Senate Bill No. 28, AN ACT IMPLEMENTING THE GOVERNOR'S RECOMMENDATIONS CONCERNING HIGHER EDUCATION.

***Connecticut Independent College Student Grants***

The bill limits the awards of Connecticut Independent College Student grants, known as CICS, to private institutions with endowments under \$200 million. The Governor's budget reduced funding by \$3.8 million and aid would be eliminated to Fairfield University, Quinnipiac University, Trinity College, Wesleyan University and Yale University. It should be noted that Yale University has already declined grants for the biennium as resources are constrained.

By excluding private institutions with the greatest ability to provide financial aid to their students, the proposal targets financial aid to students in the greatest need who attend the private institutions that have limited ability to provide assistance.

It should be noted that an additional \$1 million is reallocated from CICS to establish the Attract the Best aid and loan forgiveness program for teachers, in Section 17 of SB 24 AAC Educational Competitiveness, which is before the Education Committee. This transfer will represent an eight percent reduction for the eleven schools remaining in the CICS program. The Attract the Best program provides grants up to \$5,000 to academically high achieving students in teaching preparation programs. Loan forgiveness would be available to students who received grants while in school and accept teaching positions in priority school districts or a school that is a member of the Commissioner's Network. These new teachers would be eligible for loan forgiveness up to \$2,500 per year for four years (for a maximum of \$10,000). Thus the maximum in grants and loan forgiveness a teacher could receive is \$15,000

As we seek to reform the CICS program to preserve it for the neediest students, we wrestle with broader questions about the purpose of the program. Because each

institution develops their own financial aid packages for students, and because there is a lack of student level data reported, it is hard to evaluate whether the CICS program is achieving its intended purpose.

For example, we do not know whether the CICS awards to institutions really benefit Connecticut students, and that the CICS grants are not supplanting other institutional support that Connecticut student would have otherwise received. We cannot be certain that tax payer funded CICS grants do not "free up" other institutional support dollars for out of state students, or that the grants are financial aid to the students and not a subsidy to the institution.

There has been confusion because this bill uses the most recent report of endowments by the Chronicle of Higher Education to determine which institutions would remain eligible. Since the time the Governor's budget was finalized, an on-line edition of the Chronicle of Higher Education has published a more recent reporting period where Connecticut College's endowment exceeded \$200 million.

I propose instead using data that is self-reported by the institutions to the Integrated Postsecondary Education Data System (IPEDS), a series of interrelated surveys conducted annually by the U.S. Department's National Center for Education Statistics (NCES) which is available annually.

If Connecticut College exceeds this \$200 million threshold the amount of savings that could be achieved would increase by \$360,000 to \$4.18 million in FY 13.

#### **Higher Education Report**

The bill requires Office of Financial and Academic Affairs to annually collect data and report on trends relating to Connecticut higher education. Similar reports were produced by the office's predecessor agency, the Department of Higher Education, and this bill ensures continuous independent analysis of Connecticut's higher education system. The Office is uniquely positioned to provide this reporting through its national ties and its maintenance of extensive historical data. The information in this report is a valued resource of the Office of Policy and Management and the Office of Fiscal Analysis.

#### ***Kirklyn M. Kerr Program***

The Governor's budget saves \$400,000 by closing the intake to the Kirklyn M. Kerr program for five Connecticut residents to pursue an education in veterinary medicine by contracting with Iowa State University for five slots at their in-state tuition rate. The students already part of the program will continue their education, as it was pre-funded, however the program will be closed to new enrollees. The bill implements this change by making the program within available appropriations.

I would like to again thank the committee for the opportunity to present this testimony. I respectfully request the Committee support this bill and I will be happy to answer any questions you may have.



**Testimony for Feb. 28 hearing**

Hello. My name is Elaine Solinga. I am the director of financial aid at Connecticut College.

Connecticut College currently provides financial aid to 48 percent of our students. Connecticut residents, including 142 CICS recipients, were awarded more than \$4 million in institutional grants in addition to the \$400,000 from the CICS program. Let me share with you some statistics that demonstrate how effective the CICS program is on our campus:

- 24% of the CICS recipients are students of color compared to 16% of our undergraduates
- 23% of freshmen CICS recipients are 1<sup>st</sup> generation compared to 13% of the overall class
- 31% of CICS recipients are Pell eligible compared to 14% of our undergraduates

Connecticut College is proud to be able to meet the full demonstrated need of our students which has been vital especially in this weakened economy. We are committed to educating Connecticut residents, and we need support from all sectors, including the state and federal government, to make this happen.

The current value of our endowment is estimated at \$195.2 million after this year's committed draw for the spend rule. A spend rule of 5% is used to help fund our operating costs. The goal of the endowment is to serve students in the future in the same way it does today.

Our total institutional grant budget is \$24.7 million. Approximately 2.8 million is funded from the endowment. Most of these funds are restricted meaning that they are earmarked for students with specific characteristics. The balance of our annual grant budget is funded through tuition revenue, annual fund raising and gifts. In this economy Connecticut College is mindful of our price and its impact on our ability to continue to enroll and fund deserving students. If CICS funding were to be eliminated, we would have to make some difficult choices. Quite frankly, we would likely admit fewer high need students from the State of CT.

I would be happy to answer any questions that you might have.

line 8 page 10

WESLEYAN  
UNIVERSITY

Office of Financial Aid  
277 High Street  
Middletown, Connecticut 06455-0260  
(860) 685-2800 FAX (860) 685-2801



February 28, 2012  
Testimony to the  
Higher Education and Employment Advancement Committee  
Connecticut Legislature  
from

John Gudvangen, Director of Financial Aid, Wesleyan University, Middletown, Connecticut

We appreciate the opportunity to provide compelling information why it is important for the state of Connecticut to maintain its commitment to providing funding for the Connecticut Independent Colleges Student Grant program (CICSG). In particular we are concerned with the provision to strip funding for students based on the size of the endowment at the institution they attend. We believe the elimination of CICSG funding undermines Connecticut's goal to strengthen educational pathways for needy state residents.

At Wesleyan University we educate over two hundred Connecticut residents, and this year we are providing over \$3 million in our own grant funding to 104 needy Connecticut residents. We receive only \$306,000 in CICSG program funding during the current school year, a number that is down over 30% from two years ago. This year we have 64 students receiving CICSG program funding, and 47% of these are minority students.

8628

Wesleyan University continues to make a significant commitment to educating Connecticut residents and meeting their full financial need. The CICSG program is an important part of what makes it possible for us to sustain our commitment to meeting the financial need of these students. In the last three years we have provided double digit percentage increases in our Wesleyan grant commitment to needy students despite painful reductions to the endowment during the economic downturn.

We dedicate sizable portions of the university's resources, including endowment earnings, to provide access and opportunity for students from Connecticut, and all across the United States and the world. Our percentage of Federal Pell grant eligible students has nearly doubled in the entering class over the last five years, a higher percentage than the University of Connecticut. 21.5% of this year's entering class is receiving a Pell grant. We provide aid awards with reasonable loan levels and we reduce or eliminate loans for the neediest students, including those from Connecticut. We provide access and opportunity for the best and brightest students of Connecticut to remain in state. Well over 90% of our entering students graduate from Wesleyan University, most of those in four years. The CICSG program is an important component to leverage the funds necessary to sustain our commitment to student success.

We are urging you to provide at least a nominal commitment to needy Connecticut residents at Wesleyan University and the four other institutions in our category. The proposal before you eliminates Connecticut funding for students at schools with endowments over \$200 million. Our endowment, which is under \$600 million, must provide resources to a wide variety of needs at the institution. It is not possible simply to reassign the endowment payout to financial aid, and it should be clear that our endowment payout is nowhere near the institution's annual financial aid commitments. Wesleyan University is providing over \$45 million in financial aid grants to students this year.

Your continued investment in the CICSG program at Wesleyan University and other independent universities and colleges leverages an enormous amount of additional resources for student success. For many of our highest need Connecticut residents admitted to Wesleyan University, we are likely the most affordable option for them. Our institutions demonstrate a strong track record of success in educating needy Connecticut residents. Your decision to maintain CICSG program funding for students at these six schools will provide an enormous return on your investment. Thank you for your consideration.

February 28, 2012  
Testimony to the  
Higher Education and Employment Advancement Committee  
Connecticut Legislature  
from

John Gudvangen, Director of Financial Aid, Wesleyan University, Middletown, Connecticut

## CICS Grant Testimony

Presented on 2/28/12, LOB, Room 1E

**Dominic Yoia**

*Sr. Director of Financial Aid, Quinnipiac University*

*Dominic.yoia@quinnipiac.edu*

*(203) 582-5224*

Good afternoon. My name is Dominic Yoia and I am the Sr. Director of Financial Aid at Quinnipiac University.

As you know, last year legislators were confronted with making some difficult decisions in balancing the state budget in an economic environment that no one has seen since the great depression. Like most state programs, higher education received its fair share of program cuts and when all was said and done, the Capitol Scholarship and CICS grant programs suffered tremendous cuts in funding and to a large extent, students and their parents were left to make up the difference. While I think that most of us in higher education understood the gravity and severity of CT's state budget crisis, no one was prepared for the news that 6 private colleges received last week; students who choose to attend one of a select group of 6 private colleges, with the highest graduation rates in CT, would no longer qualify to receive CICS funding.

What you may not know is that there are a number of federal aid cuts scheduled for the 2012/13 academic year which will impact every student receiving financial aid at every college in the country. Here are just a few worth noting:

1. Subsidized Stafford Loans interest rates are scheduled to double in July
2. Subsidized Stafford Loans have been eliminated for graduate students
3. There are no increases scheduled for the federal Pell grant program
4. SEOG and work-study programs have been reduced
5. ACG, SMART and LEAP programs have been eliminated
6. Perkins loans have not received a capital contribution for 10 years
7. Interest rates on the federal parent loan program are currently at 7.9%, higher than any interest rate a consumer would pay in today's market on any conventional loan.

8028

That basically covers every single title IV federal student aid program we have on the books.

Quinnipiac University continues to be one of the 3 largest beneficiaries of the CICS grant program which allocates funds based on the number of CT students enrolled at each institution. At Quinnipiac, 81% of our students are receiving some form of grant or scholarship and last year, 526 students received a CICS grant. CICS funds are appropriated to needy students and a portion of each college's allocation is spent on minority students and students serving in community service positions such as soup kitchens, food banks, nursing homes, animal shelters and inner-city schools, to name a few.

I know that many of you are questioning, "How will eliminating our institution from the CICS program REALLY affect CT students," and, I think that's a fair question. The short answer is a harsh one; when you reduce or eliminate a grant program you leave a student with 3 viable options; parent loans, private student loans and short-term monthly payment plans. And when we collectively make cuts across federal, state and institutional aid programs we send higher education back 100 years where attending college was based on a family's wealth and not a student's academic potential.

I respectfully ask that we don't view the CICS program as an "expense" but rather as an "investment." It's an investment in our students, in our communities and in all our futures. Thank you for listening and I humbly ask for your support in assuring that low and middle-income students can continue to pursue their educational aspirations at 6 of the finest private colleges and universities that Connecticut has to offer.

**H – 1129**

**CONNECTICUT  
GENERAL ASSEMBLY  
HOUSE**

**PROCEEDINGS  
2012**

**VOL.55  
PART 7  
2096 – 2446**

djp/gbr  
HOUSE OF REPRESENTATIVES

171  
April 19, 2012

Necessary for adoption	74
Those voting Yea	146
Those voting Nay	0
Those absent and not voting	5

DEPUTY SPEAKER ARESIMOWICZ:

The Bill as amended is passed.

Will the Clerk please call Calendar Number 315?

THE CLERK:

On Page 20, Calendar Number 315, substitute for  
Senate Bill Number 28, AN ACT IMPLEMENTING THE  
GOVERNOR'S RECOMMENDATION CONCERNING AN ANNUAL REPORT  
ON HIGHER EDUCATION. Favorable report from the  
Committee of Higher Education and Employment  
Advancement.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis of the 64th, you have the  
floor, madam.

REP. WILLIS (64th):

Thank you very much, Mr. Speaker. I move for  
acceptance of the joint committee's favorable report  
and passage of the Bill.

DEPUTY SPEAKER ARESIMOWICZ:

Question is on acceptance of the joint  
committee's favorable report and passage of the Bill.

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Representative Willis, you still have the floor,  
madam.

REP. WILLIS (64th):

Thank you very much, Mr. Speaker. This Bill requires the Office of Financial and Academic Affairs to annually collect data and report on trends relating to higher education in Connecticut. The report will include expenditures, funding, enrollment, faculty and staff position information and student financial aid and they will report it annually to the Higher Education and the Appropriations Committee. This is a valuable resource. Mr. Speaker, the Clerk has an amendment, LCO 3079. I move that the reading of the amendment be waived and I be allowed to summarize.

DEPUTY SPEAKER ARESIMOWICZ:

Thank you very much, madam.

Will the Clerk please call LCO Number 3079.

THE CLERK:

LCO 3079 offered by Senator Bye and  
Representative Willis.

DEPUTY SPEAKER ARESIMOWICZ:

LCO 3079 will be designated House Amendment  
Schedule "A" -- Senate "A", I apologize.

Representative Willis, you have the floor, madam.

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REP. WILLIS (64th):

Thank you very much, Mr. Speaker. This amendment adds an annual reporting date, specific reporting date. It previously only indicated that it would be annual. I move adoption.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis moves adoption in concurrence with the Senate.

Will you remark further?

Question before the chamber is on adoption of the amendment in concurrence with the Senate.

All those in favor signify by saying Aye.

REPRESENTATIVES:

Aye.

DEPUTY SPEAKER ARESIMOWICZ:

Those opposed Nay.

The amendment is adopted.

Will you remark further on the Bill as amended?

Representative LeGeyt of the 17th, you have the floor, sir.

REP. LeGEYT (17th):

Thank you very much, Mr. Speaker. I appreciate the opportunity to speak on this Bill. I am in total support of this Bill. I think it is in consort with

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the intentions that were given in the public hearing and as a result I urge my colleagues to vote in favor of it. Thank you.

DEPUTY SPEAKER ARESIMOWICZ:

Thank you very much, sir.

Will you remark further on the Bill as amended?

Will you remark further on the Bill as amended?

If not, staff and guests to the well of the House. Members take your seats. The machine will be open.

THE CLERK:

The House of Representatives is voting by roll call. All members to the chamber, please. The House of Representatives is voting by roll call. All members to the chamber.

DEPUTY SPEAKER ARESIMOWICZ:

Have all the members voted? Have all the members voted? Please check the board to ensure that your vote has been properly cast. If all the members have voted the machine will be locked and the Clerk will take a tally.

The Clerk will announce the tally.

THE CLERK:

Senate Bill 28 as amended by Senate "A" in



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concurrence with the Senate.

Total number voting	147
Necessary for adoption	74
Those voting Yea	147
Those voting Nay	0
Those absent and not voting	4

DEPUTY SPEAKER ARESIMOWICZ:

The Bill is passed in concurrence with the Senate.

Will the Clerk please call Calendar Number 316.

THE CLERK:

On Page 20, Calendar 316, substitute for Senate Bill Number 42, AN ACT CONCERNING THE SELECTION PROCESS FOR MEMBERS OF THE FACULTY ADVISORY COMMITTEE TO THE BOARD OF REGENTS FOR HIGHER EDUCATION. Favorable report on the Committee of Higher Education and Employment and Advancement.

DEPUTY SPEAKER ARESIMOWICZ:

Representative Willis of the 64th, you have the floor, madam.

REP. WILLIS (64th):

Thank you. So nice to see you again. It's been such a long time.

DEPUTY SPEAKER ARESIMOWICZ:

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GENERAL ASSEMBLY  
SENATE**

**PROCEEDINGS  
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THE CHAIR:

Seeing no objection, so ordered, sir.

Mr. Clerk.

THE CLERK:

On page 15, Calendar 198, Substitute for Senate Bill Number 28, AN ACT IMPLEMENTING THE GOVERNOR'S RECOMMENDATION CONCERNING AN ANNUAL REPORT ON HIGHER EDUCATION, favorable report of the Committee on Higher education.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Good afternoon again, Madam President.

THE CHAIR:

Good afternoon.

SENATOR BYE:

Madam President, I move acceptance of the Joint Committee's favorable report and move passage of the bill and waive its reading and seek leave to summarize.

THE CHAIR:

On acceptance and passage, will you remark?

SENATOR BYE:

Yes, Madam President.

What this bill is, is it's simply asking that the Legislature and others in policymaking positions will receive an annual report on the state of higher education in Connecticut in a single uniform report and that the Office of Financial and Academic Affairs for Higher Education will do that report. It's the same report we've been getting for years, but with the change in the board

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of regents this just clarifies who will be doing it.

Thank you, Madam President.

THE CHAIR:

Will you remark? Will you remark?

Senator Looney.

SENATOR LOONEY:

Yes. Thank you, Madam President.

If we might just pass this item temporarily for a moment.

THE CHAIR:

So ordered.

Mr. Clerk.

THE CLERK:

Page 15, Calendar 199, Substitute for Senate Bill  
Number 146, AN ACT CONCERNING FOSTER CHILDREN IN HIGHER  
EDUCATION, favorable report of the Committee on Higher  
Education.

THE CHAIR:

Senator Bye, again.

SENATOR BYE:

Good afternoon, Madam President.

If I may just take one minute and get the proper papers.

THE CHAIR:

Please. The Senate will stand at ease.

(Chamber at ease.)

Madam Clerk, I ask that we move it to consent.

THE CHAIR:

Seeing no objection, so ordered.

Mr. Clerk.

Senator Looney.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, if we might return to an item that was marked passed temporarily a little while ago. And that is calendar page 15, Calendar 198.

THE CHAIR:

Mr. Clerk.

Senator -- oh, Mr. Clerk, first.

THE CLERK:

On page 15, Calendar 198, Substitute for Senate Bill Number 28, AN ACT IMPLEMENTING THE GOVERNOR'S RECOMMENDATION CONCERNING AN ANNUAL REPORT ON HIGHER EDUCATION, favorable report of the Committee on Higher Education.

THE CHAIR:

Senator Bye.

SENATOR BYE:

Good evening, Madam President.

I hope the Clerk has that amendment close by, and I move acceptance of the joint committee favorable report, move passage of the bill and waive its reading and seek leave to summarize.

THE CHAIR:

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Mr. Clerk, will you call LCO Number 3079?

THE CLERK:

LCO Number 3079, Senate "A," offered by Senators Bye, Boucher, Representatives Willis and LeGeyt.

THE CHAIR:

Senator, on passage and acceptance, will you remark?

SENATOR BYE:

Thank you, Madam President.

This simply makes a change in line 3, where after the word "report," insert "on or before March 1, 2013." And in line 3, after "annual" and before comma, insert "thereafter," simply saying when this report will be due.

THE CHAIR:

Will you remark? Will you remark? If not, all in favor please say aye.

SENATORS:

Aye.

THE CHAIR:

Opposed?

The amendment passes.

Senator Bye.

SENATOR BYE:

Thank you, Madam President.

As I stated earlier, members -- there may be some members in the circle who were not here earlier.

What this bill does is it simply establishes that there will be annual report about higher education and it

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establishes that the Office of Financial and Academic Affairs for Higher Education will conduct that report and have it ready for the Legislature and other bodies that might use it for their purposes.

Thank you, Madam President.

THE CHAIR:

Thank you.

Will you remark? Will you remark?

Senator Boucher.

SENATOR BOUCHER:

Thank you, Madam Chair.

Madam Chair, this is a good bill and ought to pass. Thank you.

THE CHAIR:

That's a great way of saying it.

Will you remark? Will you remark?

Senator Bye.

SENATOR BYE:

Madam President, I ask that it be moved to the consent calendar.

THE CHAIR:

Seeing no objection, so ordered.

Senator Looney.

SENATOR LOONEY:

Thank you, Madam President.

Madam President, returning to another item previously marked passed temporarily, if the Clerk would call from

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THE CLERK:

Page 1, Calendar 214, Senate Resolution Number 11; also page 1, Calendar 215, Senate Resolution Number 12; page 2, Calendar 216, Senate Joint Resolution Number 24; page 2, Calendar 217, Senate Joint Resolution Number 25.

Also on page 2, Calendar 244, House Joint Resolution Number 71; page 2, Calendar 245, House Joint Resolution Number 72; page 3, Calendar 246, House Joint Resolution Number 73; Calendar 247, House Joint Resolution 74; Calendar 248, House Joint Resolution Number 75; and Calendar 249, House Joint Resolution Number 76.

On page 4, House Joint Number -- Calendar 250, House Joint 77; Calendar 251, Senate Joint Resolution Number 26; also on page 4, Calendar 252, Senate Joint Resolution Number 27; on page 5, Senate Bill Number 53 -- I'm sorry, Calendar 53, Senate Bill Number 20; Calendar 56, Senate Bill 71; Calendar 57, Senate Bill 105.

On page 6, Calendar 75, Senate Bill 200; page 7, Calendar 80, Senate Bill Number 42; on page 9, Calendar 105, Senate Bill 252; on page 10, Calendar 111, Senate Bill 328; on 13, Calendar 164, Senate Bill Number 205; and on page 13, Calendar 168, Senate Bill 106.

On page 14, Calendar 181, Senate Bill 98; and Calendar 186, Senate Bill 191.

THE CHAIR:

Mr. Clerk, I think that's Senate Bill 88.

THE CLERK:

Senate Bill 88, stand corrected.

Also Calendar 186, Senate Bill 191; on page 15, Calendar 198, Senate Bill Number 28; on page 17, Calendar 212, Senate Bill 241; and Calendar 213, Senate Bill 139.

On page 18, Calendar 227, Senate Bill 99.

THE CHAIR:

At this time, please, the machine will be open and please



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call for a roll call vote.

THE CLERK:

Immediate roll call has been ordered in the Senate.  
Senators please return to the Chamber. Immediate roll  
call has been ordered in the Senate.

THE CHAIR:

Have all members voted? If all members have voted, the  
machine will be locked. And Mr. Clerk, will you call the  
tally?

THE CLERK:

Total Number voting	36	
Necessary for adoption	19	
Those voting Yea		36
Those voting Nay		0
Those absent and not voting	0	

THE CHAIR:

The consent calendar has been adopted.

Senator Gerratano -- Gerratana, sorry.

SENATOR GERRATANA:

Thank you, Madam President.

Just for a journal notation. I missed, not this vote, but  
the previous vote on the legislation. I was out of the  
Chamber on legislative business, but I would have voted  
affirmative.

THE CHAIR:

It will be noted.

SENATOR GERRATANA:

Thank you, madam.

THE CHAIR: