



# STATE OF CONNECTICUT

## Office of Higher Education

To: Benjamin Barnes, Secretary  
Office of Policy and Management

From: Jane Ciarleglio, Executive Director

Date: October 1, 2012

Subject: FY 2013-14 Options

In response to your request to submit options for the Office of Higher Education's FY 2013-14 budget, I have attached a set of reduction options along with a reallocation option and a revenue option. Options for outstanding obligations to the State Higher Education Matching Grant and Endowed Chairs were submitted previously under separate cover.

As you know, the current services financial aid formula requests mandated by statute make up the vast majority of our increase. For 2014 the student financial aid formulae are largely responsible for the significant current services increase. With the seven reduction options, I have reduced all spending requests to 2013 funding levels except for the impact of settled collective bargaining contracts. These options resulted in a 59 percent reduction to current services and a new FY 2014 increase of less than one percent.

The reallocation option combines all non-programmatic, state-funded student financial aid into one student-oriented program administered by this office. The single program would have both merit/need and need only components to reflect the character of our current programs. Funding for the option is set at FY 2013 levels. I have included a brochure for a similar program run by the State of Maryland and a list of considerations for a Connecticut program.

Finally, I have proposed a new revenue option for the program approval process. This proposal would charge fees of the independent institutions for work associated with program approval. Connecticut is one of seven states who do not charge fees out of 31 states surveyed. The attached fee proposal is based on the melding of actual fees charged by two neighboring states with the number of those activities performed in Connecticut over the last three years and the resulting revenue that would have been generated.

My finance staff is available to meet with your staff to discuss these options. Please do not hesitate to call them at 860-947-1850 if you have questions or need additional information.

Attachments  
c. K. Kelley, OPM  
S. Bourne, OFA

2013-2015 OPTION SUMMARY

DHE66500 - Office of Higher Education  
11000 - General Fund

Jan's Carteglio, Executive Director  
Date: 09-28-2012

Priority	Option Title	2014 Base	2014 Adjust	2014 Revised	2015 Base	2015 Adjust	2015 Revised
REDUCTION							
1	Connecticut Independent College Student Grant	27,376,501	-11,218,182	16,158,319	27,376,501	-11,218,182	16,158,319
2	Connecticut Aid to Public College Students	82,484,752	-56,984,752	25,500,000	82,484,752	-56,984,752	25,500,000
3	Connecticut Aid to Charter Oak	425,921	-366,528	59,393	425,921	-366,528	59,393
4	English Language Learner Scholarship	100,000	-10,000	90,000	100,000	-10,000	90,000
5	Minority Advancement Program	2,450,577	-273,760	2,176,817	2,453,286	-53,286	2,400,000
6	National Service Act	349,292	-20,927	328,365	359,872	-19,872	340,000
7	Capitol Scholarship Program	8,902,780	-4,180,429	4,722,351	8,902,780	-2,902,780	6,000,000
REALLOCATION							
1	Combine State-funded Student Financial Aid	119,193,954	-72,749,891	46,444,063	119,193,954	-72,749,891	46,444,063
REVENUE							
1	Program Approval Fees	0	250,000	250,000	0	250,000	250,000
	OPTION TOTAL	241,283,777	-145,554,469	95,729,308	241,297,066	-144,055,291	97,241,775

# 2013/2014-2014/2015 Budget Options

Reduction Option

DHE66500 - Office of Higher Education  
11000 - General Fund

Contact: Nancy L Brady  
Telephone: (860)947-1850

Priority: 1  
09/24/2012

## Connecticut Independent College Student Grant

Statutory Reference: 10a-36 thru 42

### ASSOCIATED PROGRAMS:

81002-Scholarships & Fellowships

### DESCRIPTION & REASON / MEASURE OF IMPACT

OHE is required to request an annual appropriation based on a statutory formula. The grant was funded at 67% of the formula in 2012 and is funded at 59% of the formula in 2013. This reduction brings the appropriation request down to the 2013 level for 2014, which will continue to represent 59% of formula funding. We do not yet have actual 2012 awards or estimated 2013 awards, but 2014 impact should be minimal because requested funding is level with 2013.

SID Code / Title	2012 Actual	2013 Estimated	2014 Base	2014 Option	2014 Revised	2015 Base	2015 Option	2015 Revised
Number of Full Time Positions	0	0	0	0	0	0	0	0
16079 - Connecticut Independent Coll	18,072,474	16,158,319	27,376,501	-11,218,182	16,158,319	27,376,501	-11,218,182	16,158,319
Option Total	18,072,474	16,158,319	27,376,501	-11,218,182	16,158,319	27,376,501	-11,218,182	16,158,319
Quantifiable Statistics	2012 Actual	2013 Estimated	2014 Base	2014 Option	2014 Revised	2015 Base	2015 Option	2015 Revised

# 2013/2014-2014/2015 Budget Options

Reduction Option

DHE66500 - Office of Higher Education  
11000 - General Fund

Contact: Nancy Brady  
Telephone: (860)947-1850

Priority: 2  
09/25/2012

## Connecticut Aid to Public College Students

Statutory Reference: 10a-164a

### ASSOCIATED PROGRAMS:

81002-Scholarships & Fellowships

### DESCRIPTION & REASON / MEASURE OF IMPACT

OHE is required to request an annual appropriation based on statutory formula. The grant was funded at 41% of the formula in 2012 and is funded at 32% of the formula in 2013. This reduction brings the appropriation request down to the 2013 level for 2014 and drops the funding to 31% of formula because the CAPCS formula, based on tuition set-aside, is growing while the CICS formula is shrinking. Fewer students will likely receive smaller awards at CSU and UConn.

SID Code / Title	2012 Actual	2013 Estimated	2014 Base	2014 Option	2014 Revised	2015 Base	2015 Option	2015 Revised
Number of Full Time Positions	0	0	0	0	0	0	0	0
16126 - Connecticut Aid for Public Col	29,808,469	25,500,000	82,484,752	-56,984,752	25,500,000	82,484,752	-56,984,752	25,500,000
Option Total	29,808,469	25,500,000	82,484,752	-56,984,752	25,500,000	82,484,752	-56,984,752	25,500,000
Quantifiable Statistics	2012 Actual	2013 Estimated	2014 Base	2014 Option	2014 Revised	2015 Base	2015 Option	2015 Revised

**2013/2014-2014/2015 Budget Options**

Reduction Option

DHE66500 - Office of Higher Education  
11000 - General Fund

Contact: Nancy Brady  
Telephone: (860)947-1850

Priority: 3  
09/25/2012

**Connecticut Aid to Charter Oak**

Statutory Reference: 10a-164a(c)

## ASSOCIATED PROGRAMS:

81002-Scholarships &amp; Fellowships

## DESCRIPTION &amp; REASON / MEASURE OF IMPACT

OHE is required to request an annual appropriation based on statutory formula. The grant has been flat funded since 2008. The funding represents 58.6% of formula in 2012 and 13.9% of formula in 2013. The significant drop between years is the result of Charter Oak's change from a matriculation fee structure to a credit hour fee structure that closely resembles tuition. The change has taken COSC from an assembler of credits from courses taken at other institutions to an institution that offers its own courses and has significantly increased revenues on which the formula is based. Flat funding for 2014 will drop funding to 12.8% of formula, but impact is difficult to assess because we do not know if financial aid has been restructured as a result of the change.

SID Code / Title	2012 Actual	2013 Estimated	2014 Base	2014 Option	2014 Revised	2015 Base	2015 Option	2015 Revised
Number of Full Time Positions	0	0	0	0	0	0	0	0
16134 - Connecticut Aid to Charter Oak	59,393	59,393	425,921	-366,528	59,393	425,921	-366,528	59,393
Option Total	59,393	59,393	425,921	-366,528	59,393	425,921	-366,528	59,393

Quantifiable Statistics	2012 Actual	2013 Estimated	2014 Base	2014 Option	2014 Revised	2015 Base	2015 Option	2015 Revised
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**2013/2014-2014/2015 Budget Options**

Reduction Option

DHE66500 - Office of Higher Education  
11000 - General Fund

Contact: Nancy Brady  
Telephone: (860)947-1850

Priority: 4  
09/25/2012

**English Language Learner Scholarship**

Statutory Reference: PA 12-1, Sec. 222

## ASSOCIATED PROGRAMS:

81001-Coordination of Higher Education

## DESCRIPTION &amp; REASON / MEASURE OF IMPACT

This program continues to be developed, but now looks more like an alternate route to certification program than a loan reimbursement. On that basis, the proposed reduction for 2014 should have no impact.

SID Code / Title	2012 Actual	2013 Estimated	2014 Base	2014 Option	2014 Revised	2015 Base	2015 Option	2015 Revised
Number of Full Time Positions	0	0	0	0	0	0	0	0
12553 - English Language Learner Sch	0	100,000	100,000	-10,000	90,000	100,000	-10,000	90,000
Option Total	0	100,000	100,000	-10,000	90,000	100,000	-10,000	90,000
Quantifiable Statistics	2012 Actual	2013 Estimated	2014 Base	2014 Option	2014 Revised	2015 Base	2015 Option	2015 Revised

**2013/2014-2014/2015 Budget Options**

Reduction Option

DHE66500 - Office of Higher Education  
11000 - General Fund

Contact: Nancy Brady  
Telephone: (860)947-1850

Priority: 5  
09/25/2012

**Minority Advancement Program**

Statutory Reference: 10a-11

## ASSOCIATED PROGRAMS:

81001-Coordination of Higher Education

## DESCRIPTION &amp; REASON / MEASURE OF IMPACT

The MAP program was requested at full current services funding for 2014. In an effort to acknowledge ongoing funding difficulties, a reduction is proposed to bring 2014 funding down to the 2013 level and cut 2015 slightly less. 2014 should be manageable at the 2013 level as we redesign the program.

SID Code / Title	2012 Actual	2013 Estimated	2014 Base	2014 Option	2014 Revised	2015 Base	2015 Option	2015 Revised
Number of Full Time Positions	1	1	1	0	1	1	0	1
12188 - Minority Advancement Progra	1,973,446	2,176,817	2,450,577	-273,760	2,176,817	2,453,286	-53,286	2,400,000
Option Total	1,973,446	2,176,817	2,450,577	-273,760	2,176,817	2,453,286	-53,286	2,400,000

Quantifiable Statistics	2012 Actual	2013 Estimated	2014 Base	2014 Option	2014 Revised	2015 Base	2015 Option	2015 Revised
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**2013/2014-2014/2015 Budget Options**

Reduction Option

DHE66500 - Office of Higher Education  
11000 - General Fund

Contact: Nancy Brady  
Telephone: (860)947-1850

Priority: 6  
09/25/2012

**National Service Act**

Statutory Reference: 10a-48b; PL 103-82

## ASSOCIATED PROGRAMS:

81001-Coordination of Higher Education

## DESCRIPTION &amp; REASON / MEASURE OF IMPACT

The 2014 request for appropriation for National Service is a request for full current services. This reduction proposes a 2014 funding level flat with 2013. This will be accomplished by limiting the grants for outside entities portion of the budget. A slightly smaller limitation proposed for 2015.

SID Code / Title	2012 Actual	2013 Estimated	2014 Base	2014 Option	2014 Revised	2015 Base	2015 Option	2015 Revised
Number of Full Time Positions	2	2	2	0	2	2	0	2
12200 - National Service Act	235,739	328,365	349,292	-20,927	328,365	359,872	-19,872	340,000
Option Total	235,739	328,365	349,292	-20,927	328,365	359,872	-19,872	340,000

Quantifiable Statistics	2012 Actual	2013 Estimated	2014 Base	2014 Option	2014 Revised	2015 Base	2015 Option	2015 Revised
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**2013/2014-2014/2015 Budget Options**

Reduction Option

DHE66500 - Office of Higher Education  
11000 - General Fund

Contact: Nancy Brady  
Telephone: (860)947-1850

Priority: 7  
09/25/2012

**Capitol Scholarship Program**

Statutory Reference: 10a-169

## ASSOCIATED PROGRAMS:

81002-Scholarships &amp; Fellowships

## DESCRIPTION &amp; REASON / MEASURE OF IMPACT

The request for Capitol Scholarship was at full current services funding based on 2008. This reduction brings the 2014 funding for our only merit- and need-based program back to the 2013 level. At this level, award amounts have been cut in half and the maximum family ability to pay has been dropped \$3,000 to \$9,000. In 2012, 3,362 awards were made compared to over 5,000 at double the award level at full funding.

SID Code / Title	2012 Actual	2013 Estimated	2014 Base	2014 Option	2014 Revised	2015 Base	2015 Option	2015 Revised
Number of Full Time Positions	0	0	0	0	0	0	0	0
16055 - Capitol Scholarship Program	4,336,060	4,722,351	8,902,780	-4,180,429	4,722,351	8,902,780	-2,902,780	6,000,000
Option Total	4,336,060	4,722,351	8,902,780	-4,180,429	4,722,351	8,902,780	-2,902,780	6,000,000

Quantifiable Statistics	2012 Actual	2013 Estimated	2014 Base	2014 Option	2014 Revised	2015 Base	2015 Option	2015 Revised
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**2013/2014-2014/2015 Budget Options**

Reallocation Option

DHE66500 - Office of Higher Education  
11000 - General FundContact: Nancy Brady  
Telephone: (860)947-1850Priority: 1  
09/28/2012**Combine State-funded Student Financial Aid**

Statutory Reference: 10a-36 thru 42,164a,166, 169

## ASSOCIATED PROGRAMS:

81002-Scholarships &amp; Fellowships

## DESCRIPTION &amp; REASON / MEASURE OF IMPACT

This is a proposal to combine all non-programmatic, state-funded student financial aid into one student-oriented program administered by the Office of Higher Education. Capitol Scholarship was chosen arbitrarily as the single program, but the proposal is to create a single new program with two components to provide state-supported need-based aid to undergraduate students at Connecticut colleges and universities. The two components would be a merit- and need-based grant and a need-based only grant. There would be two separate applications and no student could receive both components of the grant. This proposal would require repeal of all the existing programs (including Capitol) and building a new program from scratch. Attached to the submission are a list of considerations for a possible program and a brochure from a Maryland program with the basic components being considered. The financial proposal is a simple combination of funding for all the programs at the 2013 funding level. All awards made under the repealed programs would be honored and would be automatically renewable for the life of the original award as long as need and academic standards are met.

SID Code / Title	2012 Actual	2013 Estimated	2014 Base	2014 Option	2014 Revised	2015 Base	2015 Option	2015 Revised
Number of Full Time Positions	0	0	0	0	0	0	0	0
16055 - Capitol Scholarship Program	4,366,060	4,722,351	8,902,780	37,541,283	46,444,063	8,902,780	37,541,283	46,444,063
16063 - Awards to Children of Deceased	0	4,000	4,000	-4,000	0	4,000	-4,000	0
16079 - Connecticut Independent College	18,072,474	16,158,319	27,376,501	-27,376,501	0	27,376,501	-27,376,501	0
16126 - Connecticut Aid for Public College	29,808,469	25,500,000	82,484,752	-82,484,752	0	82,484,752	-82,484,752	0
16134 - Connecticut Aid to Charter Schools	59,393	59,393	425,921	-425,921	0	425,921	-425,921	0
Option Total	52,306,396	46,444,063	119,193,954	-72,749,891	46,444,063	119,193,954	-72,749,891	46,444,063
Quantifiable Statistics	2012 Actual	2013 Estimated	2014 Base	2014 Option	2014 Revised	2015 Base	2015 Option	2015 Revised

Priority: 1  
09/28/2012

Statutory Reference: 10a-34

Practices for approval of higher education institutions and programs vary widely by state and fee structures for the approval process are also unique. Of the 31 states examined in research compiled by the Office of Higher Education, just seven did not charge fees for some aspect of the process. Connecticut is one of the seven. The Office has assembled a chart of fees charged by neighboring states and the the revenue they generated in 2010 and 2011. From the chart ( attached to the submission), we have developed a set of proposed fees for Connecticut and estimated the revenue the fees would generate based on 2010 through 2012 actual activites. The proposed fees would generate about \$350,000. This revenue is on a par with the amounts generated by both Massachusetts and New Hampshire, which were the two comparable states. Fees would be instituted for independent school approvals handled by the Office and would be in conjunction with a simplification of the approval process and a change of the approval entity from the State Board of Education to a peer review by the Advisory Committee on Accreditation.

Revenue Account/Title	2012 Actual	2013 Estimated	2014 Base	2014 Option	2014 Revised	2015 Base	2015 Option	2015 Revised
40010 - Revenues	0	0	0	250,000	250,000	0	250,000	250,000
Total Gross Revenue	0	0	0	250,000	250,000	0	250,000	250,000

SID Code / Title	2012 Actual	2013 Estimated	2014 Base	2014 Option	2014 Revised	2015 Base	2015 Option	2015 Revised
Number of Full Time Positions	0	0	0	0	0	0	0	0
Total Cost	0	0	0	0	0	0	0	0
Total Net Revenue	0	0	0	250,000	250,000	0	250,000	250,000

[illegible]

**Office of Higher Education**  
**2013-15 Current Services Budget Request**  
**5% Reductions**

	FY 2012 Actual	FY 2013 Budget	FY 2014 Budget	FY 2014 Reductions	FY 2014 Updated	FY 2015 Budget
Personal Services	\$1,104,163	\$1,128,146	\$1,299,424		\$1,299,424	\$1,415,642
Other Expenses	98,018	112,537	112,566		112,566	116,129
Other Current Expenses						
Minority Advancement	1,973,446	2,176,817	2,450,577	(273,760)	2,176,817	2,453,286
Alternate Route to Cert.	100,000	100,000	104,876		104,876	111,824
National Service Act	235,738	328,365	349,292	(20,927)	328,365	359,872
International Initiatives	63,176	66,500	70,000		70,000	70,000
Minority Teacher Incentive	422,500	471,374	471,374		471,374	471,374
Education and Health Initiatives	134,500					
English Language Learner Scholarship		100,000	100,000	(10,000)	90,000	100,000
Subtotal, OCE	\$2,929,360	\$3,243,056	\$3,546,119	(\$304,687)	\$3,241,432	\$3,566,356
Equipment		1	1		1	1
Capitol Scholarship Grants	4,336,060	4,722,351	8,902,780	(4,180,429)	4,722,351	8,902,780
Awards to Children of Deceased/Disabled Veterans		4,000	4,000		4,000	4,000
CICSG	18,072,474	16,158,319	27,376,501	(11,218,182)	16,158,319	27,376,501
CAPCS	29,808,469	25,500,000	82,484,752	(56,984,752)	25,500,000	82,484,752
CT Aid to Charter Oak	59,393	59,393	425,921	(366,528)	59,393	425,921
Kirklyn Kerr Grant	285,000					
<b>GRAND TOTAL</b>	<b>\$56,692,937</b>	<b>\$50,927,803</b>	<b>\$124,152,064</b>	<b>-\$73,054,578</b>	<b>\$51,097,486</b>	<b>\$124,292,082</b>
<b>G F Staff Actual/Authorized</b>	<b>13</b>	<b>15</b>	<b>16</b>	<b>\$6,207,603</b>	<b>16</b>	<b>16</b>
<b>Annual Change</b>		<b>-10.2%</b>	<b>143.8%</b>		<b>0.3%</b>	<b>0.1%</b>
<b>Excluding Financial Aid</b>	<b>\$3,709,041</b>	<b>\$3,912,366</b>	<b>\$4,386,736</b>	<b>-\$294,687</b>	<b>\$4,092,049</b>	<b>\$4,526,754</b>
<b>Annual Change</b>		<b>5%</b>	<b>12%</b>		<b>5%</b>	<b>3%</b>
<b>Percent of formula funded CICSG</b>	<b>67%</b>	<b>59%</b>	<b>99%</b>		<b>59%</b>	<b>99%</b>
<b>Percent of formula funded CAPCS</b>	<b>41%</b>	<b>32%</b>	<b>105%</b>		<b>31%</b>	<b>105%</b>