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Testimony
House Appropriations Committee
FY 14-15 Community College Appropriations

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Good afternoon Chairman Adolph, Chairman Markosek, and members of the House Appropriations Committee. Thank you for the opportunity to discuss FY 14-15 appropriations for community colleges. My name is Elizabeth Bolden, and I represent the Commonwealth's fourteen community colleges that are statutorily established under Article XIX-A of the Public School Code. Joining me today is Dr. Nick Neupauer who is President of Butler County Community College and Chair of the Board of Directors of the PA Commission for Community Colleges. I am also joined by Dr. Karen Stout, President of Montgomery County Community College.

The community colleges are grateful for the continued support of the Chairmen and Members of the Appropriations Committee. We appreciate your interest in, and commitment to, the role of community colleges in the Commonwealth's education and workforce development systems. The programs and services offered by Pennsylvania's community colleges enroll more than 365,000 students from all of Pennsylvania's 67 counties in academic, workforce and noncredit programs. The colleges play a vital role for the students and employers they serve, and contribute to the Commonwealth's economic growth and global competitiveness.

Community colleges offer an accessible, flexible, and affordable opportunity for students to begin or return to their postsecondary study. As costs to obtain a bachelor's degree continue to rise, students are turning to community colleges as an affordable option to complete their first two years of academic study or to acquire valuable workforce skills. For the 2012-2013

academic year, annual average tuition and fees at Pennsylvania's community colleges totaled \$3,242. That amount is 64% less than average tuition and fees at a PASSHE institution, the second most affordable public postsecondary education option in Pennsylvania. At the end of the 2012 academic year, over 30,000 community college students successfully transferred to four year institutions to continue their studies, with more than 80% of those graduates transferring to institutions in the Commonwealth.

The colleges also offer workforce training programs to support new and existing industries that contribute to the Commonwealth's economic growth. Pennsylvania's community colleges currently offer 1,399 credit programs. Sixty percent of those programs are in STEM fields and 54% are in High Priority Occupations identified by the state Department of Labor & Industry. Last year, community colleges also partnered with local employers to provide \$13.3 million worth of customized training for over 30,000 Pennsylvania workers, and trained another 19,100 through partnerships with WEDNetPA. These programs are essential to provide Pennsylvanians with an opportunity to acquire or upgrade workplace skills. If the Commonwealth is to sustain its economic recovery and attract new industries, it will need to invest in the institutions and programs that provide highly skilled and trained employees to support those industries.

The colleges also serve as a center of community and economic activity in their local areas. Our colleges partner with early childhood education providers, K-12 education, and local employers to develop and offer programs to meet local needs. They provide more than opportunities for academic and workforce training; they serve as community centers and enhance their region's cultural diversity. The colleges are among the 50 largest employers in 16 of Pennsylvania's counties and collectively, the colleges are one of the largest 50 employers in the Commonwealth, employing more than 27,700 individuals statewide in 2012.

The colleges have continued to provide this extensive range of programs and services in their communities and for the Commonwealth's benefit despite several years of declining support from the state, and in many cases, local sponsors. Governor Corbett's proposed FY 14-15 budget does not include any increase in the community college operating appropriation. If approved, this would be the fourth consecutive year of flat funding, following a 10% cut five years ago. Considering inflation, the recommended appropriation is \$12 million below the level that would have kept pace with inflation over the past 3 years. On a per student

basis, state support for community college students is also declining. The current FY 13-14 per student appropriation from the Commonwealth is \$1,758 per community college student, a decline of \$290 per student from the FY 2008-09 level of \$2,048 per student. The colleges are concerned that yet another year of flat funding may result in tuition increases, program cuts, delays in program expansion, or some combination thereof, none of which is in the best interest of Pennsylvania's students or its economic competitiveness.

Pennsylvania's community colleges receive funds from the state, from local sponsors, and from student tuition and fees. As funding from the state fails to keep pace with inflation and as some local sponsors reduce support in response to their own financial difficulties, the colleges have implemented significant cost savings programs. However, these measures have not been able to fill the gap in funding and have unfortunately resulted in tuition increases at some colleges. From 2011-12 to 2012-13, community colleges tuition either remained flat or was raised no more than \$12 per credit or on average \$198 for a full-time student compared to an average increase of \$354 for a full-time student at one of Pennsylvania's other four-year publicly funded educational institutions. The biggest risk in increasing tuition is that it can reduce access to postsecondary education and training opportunities for many Pennsylvanians. Last year, more than 31,000 community colleges students participated in PHEAAs financial aid programs to help cover the costs of their education. Unless financial assistance programs are similarly increased to cover tuition increases, students with limited financial resources may find it cost prohibitive to enroll in college. Without a postsecondary credential, research suggests that these students will likely struggle to find a job and are more likely to be in need of public services throughout their lives. An investment in preserving these educational opportunities for students will result in significant short and long term benefits for the Commonwealth, including increased tax revenues, greater productivity, less reliance on government support programs, and reduced crime rates.

For the 2014-15 fiscal year, the colleges have requested a \$12 million increase in the community college operating appropriation. This increase is equivalent to the amount needed to keep up with inflation, and would increase the Commonwealth's per student support to \$1,919. Additionally, this increase will allow the community colleges to make needed investments to ensure program quality and alignment with current workforce needs and minimize tuition increases. Without an increase in the appropriation, the colleges will be limited in their ability to

invest in programs that are essential to the Commonwealth's economic growth, including programs in the technology, healthcare, and natural gas industries.

In addition, the colleges request state support for capital improvements at the colleges. Currently, the colleges receive state funds for capital improvements through the Community College Capital Fund line item, which provides 50% of the funds for approved capital projects when the colleges, local sponsors, and/or private fundraising also provide a 50% match of the project cost. This appropriation has enabled the completion of projects such as Montgomery County Community College's Health Sciences Center, upgrades to the Community College of Philadelphia's chemistry labs, and the establishment of Butler County Community College's Lawrence Crossing location in Lawrence County.

However, the need for capital improvements exceeds the available funds. A recent study by the architectural firm STANTEC documented that the community colleges' infrastructure is rapidly aging and in need of more than \$726 million in improvements over the next five years. Nearly half of the projects have been identified as high priority projects by the colleges, indicating that they are critical to the continued successful operation of the college. The list of high priority projects includes a new Workforce Training Center, upgrades to labs in STEM programs, and the expansion of e-learning environments to replace outdated classrooms.

Capital support for the community colleges is essential to the colleges' ability to respond to the needs of employers and students and we urge the General Assembly to consider an increase to the Community College Capital Fund line item. In addition, the colleges support Representative Petri's legislation, HB 1418, which would increase the funds available for capital projects and establish the Community College Capital Projects Fund Pooled Financing Program. The legislation would not only help to alleviate the backlog of capital projects, but would also establish a more stable and efficient process by which the colleges could plan for capital improvements.

Thank you again for the opportunity to appear before you today and for your consideration of our request for FY 14-15 funding. We know that there are significant challenges in higher education, including rising student debt, changing workforce needs, students' shifting interests, and increasing demand for capital improvements to continue transforming colleges into modern, 21st century learning centers. Pennsylvania cannot afford to ignore these challenges. The colleges believe that an investment in community college operating

and capital needs will put Pennsylvania on a path to address these challenges and help Pennsylvania reach its full potential as a national leader in higher education. Investing in the colleges will yield significant economic and societal benefits for the students and communities we serve, and contribute to the Commonwealth's long term fiscal health and economic competitiveness. We look forward to working with the Chairmen and the Members of the Committee to identify appropriate funding levels to achieve those goals.