



PENNSYLVANIA COMMISSION FOR COMMUNITY COLLEGES

14 member colleges
with **26** campuses and
83 leased or partner sites:

Community College of
Allegheny County

Community College
of Beaver County

Bucks County
Community College

Butler County
Community College

Delaware County
Community College

HACC, Central
Pennsylvania's
Community College

Lehigh Carbon
Community College

Luzerne County
Community College

Montgomery County
Community College

Northampton
Community College

Pennsylvania Highlands
Community College

Community College
of Philadelphia

Reading Area
Community College

Westmoreland County
Community College

Quick Facts about Community Colleges

Enrollment and Credit Programs:

- Total students served in 2014-15: 313,966.
 - For-credit enrollment 190,062 students.
 - Non-credit enrollment: 123,904 students.
 - Dual enrollment: 11,476 high school students.
- Total awards conferred statewide: 16,071 (55% in STEM fields).
- 1,381 credit programs offered (2014-15).
 - 62% in STEM
 - 48% support High Priority Occupations
- 2,804 transfer and articulation agreements with 4-year PA schools (2015).

Financial Impact:

- College budgets range from \$13.5 million at Penn Highlands to \$195.4 million at the Community College of Philadelphia (FY2015).
- The colleges are among the top 50 employers in 11 Pennsylvania counties and collectively employ more than 26,000 individuals statewide, making the colleges a top 50 industry in Pennsylvania based on employment.

Workforce Training:

- Provided \$11.3 million in customized training (FY2015).
- WEDNetPA: 21,425 workers trained (FY2015).
 - \$4.5 million investment by community colleges
 - \$6.8 million investment by companies

2015-16 State Appropriation:

- \$215.667 million in Operating Appropriation.
- \$48.869 million in Capital Appropriation.

Commission Staff:

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March 2, 2016
Testimony
House Appropriations Committee
FY 16-17 Community College Appropriations

Elizabeth A. Bolden, President & CEO, PA Commission for Community Colleges
Tom Leary, President, Luzerne County Community College and
Chair of the Board, PA Commission for Community Colleges
Dr. Stephanie Shanblatt, President, Bucks County Community College and Vice-Chair of the
Board, PA Commission for Community Colleges

Good afternoon Chairman Adolph, Chairman Markosek, and members of the House Appropriations Committee. Thank you for the opportunity to discuss FY 16-17 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 Tom Leary, President of Luzerne County Community College and Chair of the Board of Directors of the PA Commission for Community Colleges and Dr. Stephanie Shanblatt, President of Bucks County Community College and Vice Chair of the Board.

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. Pennsylvania's community colleges are leaders not only in postsecondary education and workforce training, but also in providing a full range of educational opportunities to Pennsylvanians. While the scope of the colleges' efforts is wide-ranging, higher education and workforce training are at the core of every community college initiative. 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. In 2014-15, Pennsylvania's community colleges enrolled nearly 314,000 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, build a bridge from K-12 education to college and careers, and contribute to the Commonwealth's economic growth and global competitiveness.

By 2020, it is estimated that 65 percent of all jobs in the U.S. will require postsecondary education and training beyond high school, and 30 percent of those jobs will require some college or an associate's degree. In Pennsylvania, the Administration has set a goal to increase the number of undergraduate credentials awarded by Pennsylvania postsecondary institutions by 10% by 2020. The colleges have been responding to these projections and goal and are working collaboratively with the Commonwealth's secondary and public and private postsecondary education systems and business and government to ensure that the necessary programs are in place so that Pennsylvanians have access to the necessary training and education to obtain great-paying, family sustaining jobs.

The benefits of post-secondary credentials are well-documented; students who complete an associate's degree earn, on average, \$500,000 more throughout their lifetime than those who only have a high school diploma. A 2015 Lumina Foundation study found that the benefits of degree attainment go far beyond earning potential; individuals with a postsecondary credential are more likely to remain employed and to have a job that provides health insurance and retirement benefits. On a personal level, they are more likely to report they are in good health, more likely to vote, more likely to volunteer and donate to charitable causes, and their children are more likely to continue their education past the high school level.

From 2011 to 2015, the number of degrees awarded by Pennsylvania's community colleges increased by 6.8%. The colleges have implemented several initiatives to keep that number growing. In 2015, Pennsylvania's community colleges worked together with the Phi Theta Kappa Honor Society to celebrate Pennsylvania's first-ever "Community College Completion Challenge Week." As part of that effort, student members of the Phi Theta Kappa Honor Society chapters at the colleges planned more than 84 events across the state to encourage their classmates to complete their certificate or associate's degree before leaving community college, transferring to another institution of higher learning or entering the workforce. Ultimately, nearly 4,400 students, faculty and staff signed the pledge. The colleges will celebrate Completion Week again in October 2017, continuing to encourage college completion.

The median age of a Pennsylvania community college student is 23 years old, and the average family income of students is \$35,760. Sixty-five percent of students are enrolled part time. Many are first-generation college students, and women and minorities make up large portions of the student population. For many students, financial constraints and other responsibilities mean that they have few resources to allocate to postsecondary study, and an increasing number find that they can only enroll part time. Many of the colleges offer assistance and safety net programs to their most at-risk students. All 14 of our colleges participate in the federal KEYS program, which provides basic assistance for the highest-risk students, helping them to meet their food, transportation, housing and childcare needs. Several of our colleges have established on-campus food banks for students, and some offer emergency assistance to students in need.

For the 2014-15 academic year, annual average tuition and fees at Pennsylvania's community colleges totaled \$3,686. That amount is 61% less than average tuition and fees at a State System institution, the second most affordable public postsecondary education option in Pennsylvania. Continued state support for the colleges is essential if community college tuition is to remain an affordable option for students to complete their first two years of academic study or acquire valuable workforce skills.

The academic and workforce programs at Pennsylvania's community colleges offer students a wide range of options including diploma, certificate, and two-year degree programs, workforce training, the start of a bachelor's degree, or personal enrichment. Pennsylvania's community colleges currently offer 1,381 credit programs, 62% of which are in STEM fields, and 48% of which are in High Priority Occupations identified by the state Department of Labor & Industry.

In 2014-15, the colleges awarded 16,071 awards statewide and 34,500 students transferred to an institution of higher learning. Most of the transfer students - 82% - remained in Pennsylvania. Our colleges have 2,804 transfer and articulation agreements with TAOC-participating baccalaureate institutions to ensure that students who pursue a four-year degree can move seamlessly between institutions, and several colleges have partnerships with bachelor's-granting institutions that enable students to complete a four year degree on their local community college campus.

The colleges regularly evaluate program offerings, both internally, and in conjunction with workforce partners, to ensure that they overlap with workforce needs. As part of ongoing efforts to validate program offerings, the colleges have established strong partnerships with secondary schools, career and technical centers, businesses and other postsecondary education providers. These partnerships help ensure that Pennsylvania has a skilled and ready workforce that can fill jobs in emerging industries and grow the state's economy. For example, in Western Pennsylvania, the Community College of Beaver County has launched a new Process Technology associate degree program focused on STEM education. The program will increase the number of highly-skilled, well-educated and diverse process technicians in the region to meet the workforce needs of the proposed ethane cracker plant near the campus and meet the employment needs of regional industry partners. The other western community colleges are also evaluating programs and collaborating with the industry to develop training programs as work on the site progresses.

In 2015, the colleges also provided \$11.3 million in customized training for employers, and trained more than 21,000 workers through WEDNetPA. This is more than half the total workers trained through the WEDNetPA program throughout the state and represents an additional \$4.5 million training investment. These training program totals demonstrate the expertise of the colleges in delivering high quality workforce training.

After receiving their degree or credential, Pennsylvania's community college completers tend to stay in the Commonwealth; and even in their local communities, providing a positive return on the public investment in their education. Several colleges report that 95% of their students stay in Pennsylvania after receiving their credential. Among the graduates that stay in the Commonwealth is an impressive list of alumni, including members of the General Assembly, business leaders, and health care providers. These alumni are just a few of the best-known Pennsylvanians who reap the benefits of completing an associate's degree. Most – if not all – would credit higher education for giving them a leg up in their career. But there are many other benefits of higher education. The Lumina Foundation also found that college education improves our society. Graduates are more likely to be involved in their communities by volunteering their time and resources, and are generally healthier and more active. They also are less likely to have financial problems or become incarcerated. In short, higher education is an

incredible personal and societal improvement tool and the Commonwealth should preserve its quality, access and affordability.

During the past year, the colleges were also pleased to participate in the work of the House Select Subcommittee on Technical Education and Career Readiness chaired by Representatives Grove and Harkins. During dialogue with the subcommittee, the colleges highlighted several successful career pathway/stackable credential programs from across the Commonwealth. These programs require significant investments in industry-standard materials and equipment as well as funds to support expert instructional staff, investments that can be supported with an increase in the community college operating appropriation.

This year, the colleges have continued to serve students, their communities and the Commonwealth despite challenging fiscal environments. State funding is an important component of the public support of Pennsylvania's community colleges. As funding from the state has been unpredictable and failed to keep pace with inflation, and as some local sponsors reduce support in response to their own financial difficulties, the colleges have implemented cost savings initiatives. Personnel costs have been trimmed by: restructuring, delays in filling or the elimination of positions, retirement incentives, and through modifications to benefit plans such as increasing deductibles and co-pays for health care and prescriptions. One college implemented a voluntary furlough program while another offered a vacation sellback program where staff could purchase additional vacation days by reducing their salaries. Efforts to reduce facility and equipment costs included energy reduction programs, the renegotiation of utility contracts, and shifts to alternative suppliers. Operating costs have been reduced through the outsourcing of administrative functions, the increased use of technology, and through the imposition of travel restrictions and reductions. In spite of funding challenges at both the state and local level, all of our community colleges have endeavored to keep tuition as low as possible to preserve access to postsecondary education and training opportunities for Pennsylvanians.

Governor Wolf's proposed supplemental FY 15-16 budget, combined with the proposed FY 16-17 budget, will provide a much-needed \$22.1 million increase in operating funding and a total of \$48.8 million in capital funding for community colleges. These proposed funding levels are an important step in restoring appropriate funding levels and recognizing the colleges' key position as a driver of economic activity in the Commonwealth.

An increase in state support for community college operations will allow the 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. The colleges may also have to raise tuition, reduce program offerings, delay program expansions, or some combination thereof, none of which is in the best interest of Pennsylvania's students or its economic competitiveness.

Thank you again for the opportunity to appear before you today and for your consideration of the FY 16-17 community college funding. The colleges believe that an investment in community college operating and capital needs will yield both economic and societal benefits. We look forward to working with the Governor, the Chairmen and the Members of the Committee to implement these budget recommendations.



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Cost Reduction/Cost Containment Strategies

Pennsylvania's community colleges are committed to the mission of providing a high quality, accessible and affordable education and workforce programs in the Commonwealth. The colleges regularly examine their operations to ensure they are operating in an efficient and effective manner and are responsible stewards of public resources. Over the years, the colleges have controlled expenses by reducing costs, reallocating resources, and creating efficiencies across all aspects of college operations. Specific cost reduction/cost containment strategies include:

Personnel

- Offered early retirement programs.
- Delayed filling vacant positions.
- Eliminated positions entirely or eliminated positions.
- Implemented part time positions where feasible.
- Offered a vacation sellback program where staff could purchase additional vacation days by volunteering to reduce their salaries.

Benefits

- Joined a health care consortium to reduce costs.
- Restructured/renegotiated health benefit contracts by modifying deductibles and copays.

Finance

- Refinanced bonds.
- Reviewed insurance policies to eliminate duplicate coverage and/or increased limits to reduce insurance premiums.

Facilities

- Achieved greater energy efficiency by installing LED lighting, completing retrofit lighting projects and installing more efficient windows.
- Invested in sustainability initiatives, particularly in lighting and HVAC areas.
- Renegotiated utility contracts to obtain better rates.
- Switched utility providers, including the transfer to less expensive options including geothermal and solar.
- Instituted a range of temperature settings for buildings to reduce energy use including reducing the temperature during the winter and increasing it during the summer.
- Renegotiated building and parking leases.

Operations

- Leveraged information technology.
- Implemented the use of digital alternatives, including document imaging, to eliminate the high volume of paper and reduce storage needs.
- Moved to cloud-based applications.
- Used e-publishing rather than hard-copy printing.
- Eliminated and/or reduced hard-copy mailing of information.
- Eliminated and/or limited spending on travel, meetings, events, and supplies. One college reduced the travel budget for all divisions by 20% and another reduced their mileage reimbursement rate below guidelines set by the IRS.
- Utilized more webinars and Skype technology.
- Delayed equipment purchases.
- Cancelled certain subscriptions.
- Outsourced certain functions such as printer maintenance and supply and administrative functions.
- Made better use of space by consolidating summer academic classroom schedules into one or two buildings rather than several, also reducing utility costs.
- Reduced special project cleaning (e.g., window cleaning, floor buffing) in scope and frequency.

Other

- Improved oversight of expenditures by requiring presidential approval of expenditures at specific dollar thresholds.
- Implemented new purchasing systems to provide for more cost effective purchasing practices.
- Changed program for disposal of surplus property.

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