

Office of the President

Shippensburg University
1871 Old Main Drive
Shippensburg, PA 17257-2299



ship.edu

Office: (717) 477-1301
Fax: (717) 477-4005

**Testimony – PA House Education Committee, Informational Meeting
Public Hearing on College Affordability
Thursday, October 19, 2023**

**Testimony of Charles E. Patterson, PhD
President, Shippensburg University of Pennsylvania**

Good afternoon, Chairman Schweyer, Chairman Topper, and members of the Committee. I'm Dr. Charles Patterson, President of Shippensburg University. Thank you for taking the time and making the trip to our beautiful campus today for this important hearing.

I'm here today representing not only Shippensburg University, but also the State System, as Chancellor Greenstein was not available to attend today and sends his regrets from Commonwealth University, where right now the State System Board of Governors are holding their quarterly public meeting. In light of that, the State System Office did submit written testimony for the committee's consideration on both dual enrollment and college affordability, so I wanted to be sure to make you aware of that testimony submission.

In addition, the State System asked that I pass on that the Chancellor's Office is reviewing House Bills 1745 and 1686, and plans to provide the committee with feedback on these bills by October 24th. Accordingly, I will defer to the Chancellor's team as it relates to the state system's feedback on these bills.

Shippensburg University is a public, regional flagship teaching university that serves as a strong economic engine for social mobility and advancing the needs of employers and our corporate partners. We prepare the next generation of student leaders through a strong liberal arts education, innovation, student engagement, and workforce partnerships.

By combining a commitment to the arts and sciences, business, engineering, social services, and education with stakeholder engagement, we are shaping students to be leaders and global citizens. Our dynamic partnerships with regional businesses, corporate partners, community partners, school districts and nonprofits are transforming our region into a hub of innovation.

Affordable public higher education is of paramount importance if we intend to meet our current and future workforce needs. Public higher education provides opportunities for individuals from diverse backgrounds to access quality education that contributes to a skilled and educated workforce, driving economic growth, and innovation. Moreover, accessible higher education is a public good that fosters a more equitable and inclusive society, reduces economic disparities, and ensures that talent and aptitude, rather than financial means, determines one's educational and career aspirations. In essence, affordable public higher education is a cornerstone of a thriving, democratic, and just society, benefiting individuals, our communities, and the Commonwealth.

Today I'd like to share some information on college affordability with you not only from the standpoint as the president of a Pennsylvania state system school, but also as someone who is now serving a second presidency within public higher education in Pennsylvania, and nearly a decade within the University System of Georgia, including as interim president at Georgia Southwestern State University, one of 28 public institutions of the University System of Georgia.

Let me start by saying thank you. The bipartisan support that Pennsylvania's State System of Higher Education (PASSHE) and, in turn, Shippensburg University has experienced recently from the General Assembly and administrations has been substantial and critically important to allowing our Pennsylvania public universities to meet their mission. I want to recognize this and thank this committee for that support over the years. Without it, PASSHE would not have been able to freeze tuition for an unprecedented five years or achieve the critical step of beginning to stabilize our enrollment after more than a decade of declines.

However, if we are going to have success in attracting more students to meet the demands of Pennsylvania's current and upcoming workforce challenges, we need to lower the net price of attending our state system schools.

As the chancellor's testimony points out, while State System universities remain the most affordable option in Pennsylvania, the Commonwealth still ranks 5th nationally in highest net price when compared to other public four-year options available to in-state students. This is due, in part, because Pennsylvania ranks 49th in college funding per student according to the recently released State Higher Education Finance (SHEF)¹ report released this past May. This is not a recipe for successfully attracting and retaining Pennsylvania students to stay within the state and become our workforce of tomorrow. As the Commonwealth wrestles with workforce challenges both in terms of talent acquisition and talent retention, we must work collectively to advance innovative work-situated academic learning initiatives. A sustainable solution to the Commonwealth's workforce needs requires investment in the higher education system in Pennsylvania.

We also know that Pennsylvania graduates carry some of the highest student loan debt in the country. The average student loan debt for the graduating class of 2020 rose to \$39,375, third highest in the nation. Sixty-four percent of Pennsylvania college graduates had student loan debt in 2020². Years of declines in college funding per student has exacerbated this issue, and Pennsylvania students have borne the burden of these cuts via their student loans.

In the South-Central PA region, the projected 10-year job growth by occupation group from 2020-2030 is 14.8% in Computer Science, 12.1% in Social Service, 10.7% in Engineering, 9.8% in Business and 8% in Education. Our Shippensburg University faculty are excellent at preparing students to fill these workforce needs, despite having to adapt to continued economic realities of doing more with less. But it is extremely difficult for us to compete for our own Pennsylvania students with the likes of New York, who according to the SHEF report, spends two-and-one-half times more per student compared to PA. Not to mention that New York's public universities offer free tuition for New York families who earn less than \$125,000.

When cost is the biggest factor in deciding whether and where Pennsylvania students go to college, how do we compete with that? Worse yet, once we lose students to out of state schools, we know that these students are less likely to return to Pennsylvania, further exacerbating our workforce shortages and contributing to the

¹ State Higher Education Finance (SHEF) report (<https://shef.sheeo.org/report/>)

² Institute for College Access and Success (<https://ticas.org/affordability-2/student-aid/student-debt-student-aid/average-debt-for-class-of-2020-varies-widely-by-state-and-college-private-student-loans-drive-up-debt-loads-in-high-debt-states/>)

state's brain drain and population decline. A recent study³ sponsored by the Center for Rural Pennsylvania on population projections through the year 2050 suggests that the population within rural counties is expected to shrink by 5.8% in Pennsylvania. Additionally, the total growth rate for all of Pennsylvania over the next 30 years will be less than the +2.4% it was between 2010 and 2020.

But it is not just future jobs that we should be focused on. Public higher education institutions create local and regional jobs while delivering on our missions to educate the Commonwealth. Like New York, Georgia also spends two-and-one half times more per student than Pennsylvania, according to the SHEF report. In 2019, before the effects of the pandemic, the Georgia's annual study on the statewide economic impact of the University System's 26 institutions⁴ concluded that, on average, every dollar of initial spending generated an additional 47 cents for the economy of the region that hosts the public college or university. Of the jobs that the University System of Georgia created, the report found that 30 percent are on campus and 70 percent are off-campus in either the private or public sectors. The jobs generated by the University System of Georgia accounted for 3.8 percent of all the non-farm jobs in the state, or about 1 job in 26.

In my role on campus, I am always trying to ensure that we are putting Shippensburg on a pathway to success, spending time fundraising for private dollars and ensuring that we are running our operation as efficiently as possible to keep the cost of attending Shippensburg as low as possible for our students.

In addition to the Board of Governor's efforts – with a huge assist from the General Assembly – to hold tuition flat, we at Shippensburg have tried to ensure we are keeping our fee structure as low as possible to do what we can to help ensure affordability to the extent possible. In fact, since 2018-19, our undergraduate fees have only increased by 1.74%, or \$213 per semester, despite all of the challenges we've faced.

I have a passion for fundraising to support our Shippensburg University students and work closely with our Shippensburg University Foundation to raise funds for scholarships and other institutional priorities. In fact, the SU Foundation is coming off a record-setting fiscal year, having received over \$10 M in contributions, breaking their previous record of nearly \$9 M the year prior. Philanthropic funding from donors is increasingly necessary to close the affordability gap across higher education.

As you heard on the previous panel, we are enhancing opportunities like dual enrollment, increasing program participation by 35% this past year. The benefits of the program to our area high school students are that Ship Start increases college readiness, accelerates the pathway to undergraduate and credential completion, fosters exploration of academic array and career possibilities, and provides college credits for a markedly reduced price, thus reducing the overall cost of obtaining a college degree. Currently, 38% of Ship Start students matriculate with Shippensburg University after high school graduation and continue their pathway towards undergraduate degree completion.

We are also putting an increased concerted effort into strengthening our corporate partnerships with businesses like JLG and Volvo, while seeking out credentialing and workforce training opportunities with other regional employers. Just yesterday, we hosted a business summit – here at Ship – with public service sector employers, collectively discussing the challenges they face in attracting and retaining talent for their workforce needs and how that intersects with our academic programs.

³ Pennsylvania Population Projections 2050: A First Look
(<https://www.rural.pa.gov/download.cfm?file=Resources/PDFs/Access%20PASS%20Final%20Population%20Projections%20Fact%20Sheet.pdf>)

⁴ The Economic Impact of University System of Georgia Institutions on their Regional Economies in FY 2018
(https://www.usg.edu/assets/usg/docs/news_files/USG_Impact_2018.pdf)

We work in all of these spaces to help our students and regional economy to thrive. And we will continue to invest our limited resources in these efforts, as well as continue to pursue student success initiatives that ensure students can live, learn and thrive in Pennsylvania. But all of this work will not make up for the fact that Pennsylvania ranks 49th in college funding per student. This sets us back at a time when our our students – the future workforce for the Commonwealth – will only be able to support our current and emerging workforce needs if we can provide them with affordable options.

Again, I want to thank you for the important, bipartisan partnership that we have enjoyed. The support and substantial increase in appropriations has given us a better footing. I strongly encourage you to consider doing even more, as PASSHE is well prepared to do an even better job at preparing our workforce should more investments be made to lower the net price of our schools and attract more students to become the future Pennsylvania workforce.

Thank you for your time and the opportunity, and I'll be happy to take any questions you may have.

PA House Education Committee
Informational meeting on Dual Enrollment/College Affordability
10/19/2023

Testimony on Dual Enrollment

Michael Giazzoni, PhD

- Director, College in High School (CHS), University of Pittsburgh
- Board of Directors, National Alliance of Concurrent Enrollment Partnerships (NACEP)
- Editorial Board, *Concurrent Enrollment Review*
- Ambassador, College in High School Alliance (CHSA)
- Pennsylvania Task Force on Equity in Dual Enrollment and Pre-apprenticeship Programs, University of Pittsburgh Institute of Politics

College in High School (CHS), the 43-year-old dual credit (aka dual enrollment) program at the Pittsburgh Campus of the University of Pittsburgh, is the oldest and largest provider in the Commonwealth. In 2022-2023, the office served almost 5,000 students, from Erie to Allentown, and from Greene County to Philadelphia. In CHS, tuition rates are less than 10% of the normal cost of tuition. Along with Penn Highlands Community College in Johnstown, CHS is one of only two programs in the Commonwealth to be accredited by the field's only accrediting body, the National Alliance of Concurrent Enrollment Partnerships (NACEP); NACEP accreditation ensures that courses offer the same rigor, quality, and support as those taught in traditional undergraduate settings and has been shown to improve the transferability of credits.

Dual credit is an evidence-proven and popular advance education opportunity which allows high school students to earn postsecondary credits, helping students prepare for and succeed after high school. Nationwide, the model is thriving, and participation has more than doubled in the last decade. The most recent data from the National Center for Education Statistics indicates 34% of high school students nationally earn college credit while in high school. Several states are using dual credit to equitably increase postsecondary access and attainment for the students in their communities through policy supports that encourage quality and strong program participation.

In Pennsylvania, dual credit is offered at both private and public higher education institutions, including community, technical, and 4-year institutions. Programs operate under various models such as having college faculty teach in high schools, sending students to campus, and the "concurrent enrollment" model in which high school teachers are trained and overseen by college faculty to offer college credit in the classrooms. In the Commonwealth in 2021, over 28,000 high school students took dual credit (a reasonable proxy for these estimates is college students under 18). The counties with institutions providing the largest proportions of enrollments were Allegheny (16%), Cambria (13%), and Philadelphia (9%).

Pennsylvania has little policy structure to support dual credit: the Commonwealth mandates school participation but provides virtually no quality standards or funding. Nationally, 28 states have policies in place to support dual credit and program quality, and several have had statues for more than 30 years. The lack of policy in Pennsylvania means that unlike more than half of

the nation, Pennsylvania has no policy or guidance to ensure that the dual credit courses are equivalent to the postsecondary courses those courses are created from. The lack of standards means weak programs leading to nontransferable credit are flourishing. Additionally, the lack of funding means students in well-resourced schools become the primary (and growing) population, with trends in participation showing stagnant growth among economically disadvantaged students and a widening racial gap, including a decline in Black students. School district-level reporting using Office of Civil Rights Data on dual credit participation highlights the stark disparity in who has access to and participates in dual credit in the Commonwealth.

NACEP has advocated for, supported, and advised on policy in all fifty states. Amy Williams, the Executive Director of NACEP, is frequently called upon by state legislatures and policymakers to provide guidance on effective policy, and she has provided the following national landscape assessment on state best practices for dual credit programs:

- Aligned policy, terminology, and practice are essential and the state plays a vital role in this.
 - Where K12 and higher education statutes conflict, states or their agencies must provide guidance or statute to resolve the statutory conflict.
 - States should have policy or guidance that creates alignment in terminology, programs/practice activities (registration, fees, advising/resource access, curriculum), and data/reporting expectations regardless of the modality of the program.
 - States should have guidance that outlines the minimum, non-negotiable elements of a quality program for all modalities.
 - States should have policy or guidance that levels the playing field among programs, e.g. a common fee structure and instructor requirements, and may want to identify which higher education institutions can work with which high school educational entities.
- The state's vision, ownership, and guidance matters.
 - States should identify the role the state has in oversight, accountability, guidance, or regulation of these types of education opportunities. (Even if it is no oversight and it is up to the college/high school to self-regulate.)
 - States should identify what agency(s) or office(s) oversees and provides guidance about dual credit education opportunities and program expectations. (If none, and programs are charged to self-regulate, the state should clearly state that.)
 - Given the multiple ways these programs are utilized for students (accelerating advanced students, workforce credential acceleration, increasing underserved population engagement and success with higher ed), states should have a clearly stated vision for what the goal is for these programs.
 - State guidance about minimum participation criteria for students should exist and be aligned, or such guidance should be appropriately aligned to the vision for the programs.
- Informing and reporting to the public increases visibility and access.

- States should maintain public-facing information that informs students and families that opportunities exist, what is needed to participate, and how to find out more information.
- States should collect, compile, and publish annual participation data, ideally by disaggregated subgroup, high school educational entity, and/or institution. Reporting agencies could also consider publishing student success rates, average number of credits completed, most popular courses, etc.

More specifically to Pennsylvania, the University of Pittsburgh’s Institute of Politics (IOP) created the Pennsylvania Task Force on Equity in Dual Enrollment and Pre-apprenticeship Programs, co-chaired by Senator Bartolotta, to examine national best practices in dual enrollment and pre-apprenticeship programs, with the intent on providing guidance for equitable statewide improvement. In 2022, The IOP partnered with the National College in High School Alliance (CHSA) to produce the report *Pathways to Opportunity: Expanding and Aligning College and Career Readiness Programs in Pennsylvania*, which makes the following recommendations:

- Launch a state-supported task force to develop principles for PA’s dual credit system
- Continue to expand public reporting of dual credit data
- Create a formal dual enrollment advisory council to provide input on developing statewide policy and appoint staff at PDE to manage it
- Encourage programs to earn NACEP accreditation
- Establish a Model Partnership Agreement for PA dual credit programs
- Create a dual credit scholarship
- Require schools to inform students annually about advanced coursework opportunities
- Survey PA high schools to understand instructor capacity issues
- Work with the Pennsylvania Association of Career and Technical Administrators and career and technical educators to determine a streamlined path for career professionals who are interested in becoming educators
- Create a statewide landing page for interested dual credit students and families
- Develop explainer resources for school counselors to improve dual credit awareness

Dual credit is a significant yet underutilized lever for tuition savings and social progress. With implementation of best-practice recommendations, dual credit can move from islands of excellence to a scaled opportunity widely available and accessed by our students. Pennsylvania has an opportunity to advance college and career access and attainment through these programs and can learn much from other states that have a long record of utilization, support, and advancement of these programs. Through intentional and strategic policy, Pennsylvania has the unique opportunity to ensure these programs are both quality and offered at scale across the state to benefit communities across the Commonwealth.



Written Testimony for the House Education Committee

Thursday, October 19, 2023

College Affordability

Daniel Greenstein, Chancellor

Thank you for the opportunity to submit written testimony to the House Education Committee. The mission of Pennsylvania state-owned System of Higher Education – its 10 universities serving more than 82,000 students – is to provide quality, career-relevant education at the most affordable price.

The following written remarks testify to how your State System is enhancing affordability and student success opportunities, like dual enrollment, which translates into demonstrable value.

You'll also read how increased investment in your State System universities, amounting to nearly 23% over the past two years, is being used to good effect, accelerating positive momentum.

We extend our appreciation to you and your colleagues for our strengthened partnership between the State System and the commonwealth, which, ultimately, benefits our students. Because of continued strong state investment made possible by the General Assembly and Governor Shapiro, the PASSHE Board of Governors was able to freeze undergraduate tuition for an unprecedented fifth consecutive year. As a result, in-state undergraduate students have flat tuition for the sixth consecutive year (2018-19 to 2023-24). If tuition had kept pace with inflation since 2018, it would be 21% higher today.

State System universities are proudly the largest provider of four-year higher education for Pennsylvania residents. Most State System students come from Pennsylvania, and most will stay in Pennsylvania after graduation. Regardless of zip code or family background, the System prepares students for professional and personal success. Eighty-eight percent of State System

university students are from Pennsylvania. Other highlights include:

- 33% are first-generation
- 33% are low-income Pell recipients
- 20% are underrepresented minority
- 22% are enrolled part-time

Earlier this month, we announced that [fall enrollment of new students increased](#) for the second consecutive year at state-owned universities. Enrollment of new first-time students increased 3.4% in fall 2023 and is up a combined 10% in fall 2022 and fall 2023.

We are pleased with the 3.4% increase in new students and the strategy to freeze tuition and align majors to in-demand careers is benefiting students. We know that Pennsylvania needs State System universities to help address worker shortages in healthcare, STEM, business and education, all of which are among our strongest and most enrolled programs. We hope to increase enrollment in the future (using a portfolio approach) to prepare more Pennsylvanians to be comprehensively educated and specifically skilled for good jobs on which our state's economy depends.

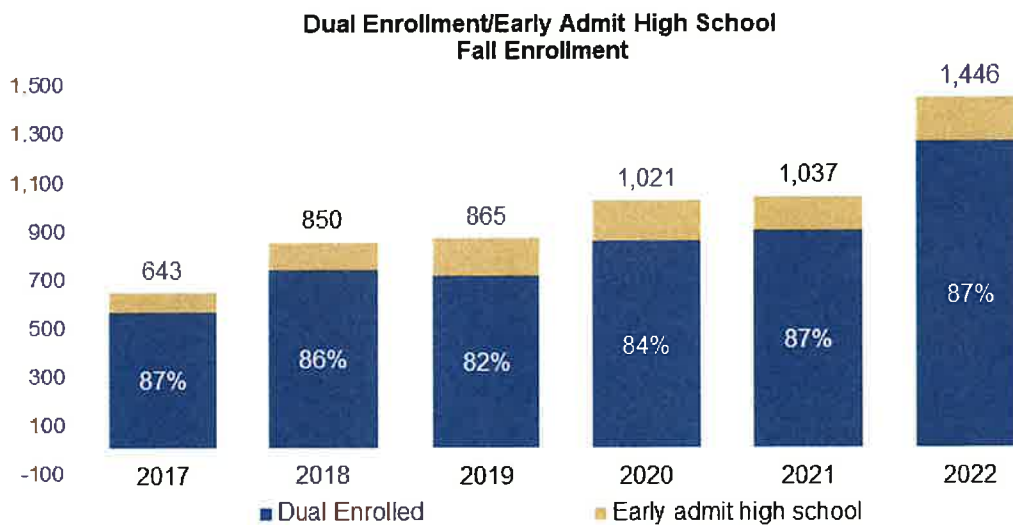
How do we achieve that? Lowering the net price of attending a State System university. Cost is the largest single impediment to postsecondary participation in Pennsylvania. While State System universities remain the most affordable postsecondary option in Pennsylvania, the commonwealth ranks 5th nationally in highest net price when compared to public four-year options available to in-state students. Relatedly, Pennsylvania is in the bottom five of all 50 states in expenditure per higher education student full-time equivalent (FTE) and in proportion, respectively, of state GDP and average individual income spent on higher education.

To address affordability, State System universities have adopted a portfolio approach and are showing progress in key areas:

- Work enhancing opportunities like dual enrollment, among other programs, and improving student progress toward their degrees and supporting community college transfer and high school dual enrollment options to provide lower-cost degree pathways.
- Managing operating costs creates opportunities to curtail price increases. When utilizing revenues from tuition and fees and state appropriations, a degree or credential cost less at the State System than other Pennsylvania four-year options.
- Employing strategic approaches to setting rates for tuition, fees, room, and board, and efforts to increase the amount of aid that universities make available is impactful.

Enhancing student opportunities through dual enrollment and other programs

Creating and sustaining opportunities like dual enrollment are part of our universities' portfolio approach to keeping costs down and student outcomes up. Dual enrollment can improve student affordability (students who participate in them accumulate credits toward their college degree at a lower per-credit cost) and help to diversify the student body. As was particularly apparent in fall 2022.



Source: State System Student Data Warehouse, Fall Census

While early college high school programs are still relatively small, they are growing significantly and will continue to do so as part of student affordability and student success efforts. Here are some highlights:

- **At West Chester University**, its PRIZE (Partnering to Raise Inclusive, Zealous Educators) program is designed to increase the number of teacher candidates in today's pipeline while significantly boosting the number of teacher candidates from diverse backgrounds. The program, which was launched in the spring of 2023, features opportunities for participating high school juniors or seniors with a 2.8 or higher high school GPA to take college-level education classes at WCU; all costs are covered by the university as well as the partnering school district. The university plans to admit all participating students who earn a minimum 3.0 high school GPA and who earn a grade of "C" or better in their college education courses.
- **Commonwealth University's** Early College program is an opportunity for high school students to earn college credits that may apply toward a bachelor's or associate's degree as well as have the potential to be used as dual enrollment credits for their high school graduation requirements. Courses may be taken at any of the CU locations or online. Students work closely with their high school counselor, and the Early College staff to determine the courses that best fit their academic goals. Upon successfully completing coursework, students will earn college credits that will be applied to their Commonwealth University transcript. Early College students receive a tuition discount that represents a 75% tuition reduction for participating in the program.
- **East Stroudsburg University** has developed an intentional model to support budding dual enrollment scholars. Campus programs offer courses in various modalities that are taught by faculty who understand the development of high school students and provide the coursework within a standardized course shell within its learning management system, D2L, so students know how to navigate and explore the courses they are taking

now and into the future. Additionally, dual enrollment cohort courses are being offered to districts in high-interest areas which are taught at ESU's Lehigh Valley campus allowing students to learn with peers, taught by a college professor, while engaged in a campus atmosphere.

Looking forward, ESU envisions dual enrollment as a partnership with high schools for career pathways. ESU programs have started developing 9-12 credit pathways to empower students to explore career opportunities through college coursework. These pathways will align with the career readiness efforts taking place in partner districts.

- At **Millersville University**, the College of Education and Human Services has piloted an early college program, Future Educator Pathway, at McCaskey High School in the School District of Lancaster. Using funding from the Dual Credit Grant from the PA Department of Education, Millersville allows McCaskey juniors and seniors to take classes for credit towards Millersville University's education program. Throughout the two-year program, students will earn 12 credits after completing four classes.

The College of Education and Human Services also has partnerships with Ephrata and Penn Manor High Schools. At Ephrata High School, a program for future educators is funded through a Dual Credit Grant from the PA Department of Education. The partnership began this summer when Ephrata sent several high school students interested in becoming teachers to our Future Educator Academy. Millersville University identified courses that Ephrata students could enroll in as dual enrollment courses that qualify for an education degree. Several students are currently enrolled.

This fall, Millersville University welcomed its first cohort of high school students from Penn Manor High School as part of its inaugural early enrollment program that brings in students interested in business to take dedicated courses on campus in the fall and spring of their junior and senior years. The program is designed to increase the

percentage of high school graduates who attend college by lowering financial costs, highlighting student-success resources, and creating a shared bond.

- **At Indiana University of Pennsylvania**, dual enrollment students participate in the STEM Academy (Science, Technology, Engineering and Mathematics). IUP admissions counselors work with students in the program to develop pathways into cyber security and forensics, engineering and physics or environmental studies – careers that are in high demand by employers. These dual enrollment students are also eligible to participate in selected activities offered through IUP’s Undergraduate Summer Opportunity for Applying Research. For dual enrollment students who complete two STEM Academy classes with a 3.0 GPA, they will become eligible to apply for participation in independent research projects. Students who apply to the STEM Academy program are eligible for additional scholarship funding. Kopchick College of Natural Sciences and Mathematics faculty serve as supervisors of these research projects; students have the opportunity to present the results of their work at appropriate professional events. This provides these high school students with a unique opportunity to gain experience on how to conduct – and present -- scientific research under the mentorship of a faculty member.

According to national data, dual enrollment programs are helping universities recover from losses experienced by the pandemic. For example, Shippensburg’s dual enrollment program, Ship Start, has increased 35%. IUP’s dual enrollment program was up 13% from fall 2022, building on a 62.5% increase of dual enrollment students from fall 2021 to 2022. What’s more, systemwide, underrepresented minority enrollments have steadily increased, as have the proportion of underrepresented minority students.

As experienced elsewhere, when implemented carefully, such programs help our universities attract and retain traditionally underserved student populations, providing disproportionately

high benefits for low-income, underrepresented, and rural students—precisely the students our commonwealth needs to serve the state.

What does it take to provide even more dual enrollment? At East Stroudsburg, while progress is taking place, obstacles still exist. Students in districts without the PDE grant access struggle financially to afford tuition and course textbooks. While ESU offers online course options, campus access is often an obstacle due to limited transportation options. Student academic preparation and individual availability/school scheduling often pose problems in accessing courses of interest. Likewise, IUP cites the cost of taking a class the biggest barrier to students' participation in dual enrollment. Even with a discount offered by IUP, financial issues continue to be a challenge for many families as these students are considered non-degree and not eligible for financial aid. IUP is working to address this financial burden with the STEM Academy funding, but it remains a challenge to families.

Targeted investment extending grant funding to institutions of higher education for purposes of dual enrollment could be helpful, making it possible for institutions to expand dual enrollment opportunities and give more Pennsylvania high school students a jumpstart at PASSHE universities.

State System universities are also enhancing student opportunities by increasing the number of non-degree, career-aligned credentials that they are making available to students. These credentials are typically developed with input from employers who help identify the skills and competencies required of employees entering jobs that are in highest demand. These non-degree credentials are available to degree-seeking students who can earn them while pursuing their degrees, adding significant value to their postsecondary experience, and enhancing the university's ability to recruit and enroll such students. They are also available to non-degree students who want to acquire a specific skill thereby assisting universities in growing enrollments overall while serving the state's workforce development needs.

Concrete examples of this kind of work include the [partnership](#) that the State System recently announced with Google, enabling universities to provide Google Certificate training at no cost to students. Additional examples are available at individual universities. East Stroudsburg, for example, is working closely with employers involved in tourism, recreation, sports management, and other areas to develop certifications for key high demand skills, offering them to degree seeking undergraduate students who are in turn highly successful in landing both internships and permanent jobs.

Managing operating costs

For PASSHE, state investment has increased nearly 33% since 2018, thanks to deliberate efforts to strengthen the partnership between the State System and its owners – the Commonwealth of Pennsylvania. That increased investment has contributed directly to the System's ability to hold tuition flat for six successive years (see *Employing strategic approaches*) and grow new student enrollment.

State System revenues are derived approximately 2:1 from students and taxpayers (state appropriations), respectively. Those dollars are hard-won by those who earned them and, accordingly, precious to our universities that spend them with careful attention to both effectiveness and efficiency. That's why it was critical for PASSHE to align expenditures with revenues.

Alignment of expenditures

University enrollments declined by nearly a third in the decade from 2010 without a concomitant decrease in expenditure. As part of a fundamental redesign begun by the Board of Governors in the late 2010s, PASSHE reduced expenditures by \$300 million in annual ongoing efforts in the three years 2019-20 to 2022-23 and did so in a manner that measurably improved student opportunity – that increased affordability, expanded access, and improved student retention and graduation rates. Key aspects of this work include financially sustainable management as a matter of policy; statewide procurement; shared academic programming; shared appointments;

shared services; and demolition of unused and under-utilized buildings.

Beyond that, PASSHE also prioritizes transparency and accountability as well as continuous improvement.

Transparency and accountability

PASSHE is proud to show taxpayers and students (who are responsible for virtually all its revenues) how their dollars are being spent and to what end. This is part of being a good steward. Our online data dashboards and routine reports show our strengths and our weaknesses and invite discussion from the commonwealth, our university communities, and the public on where we ought to improve and how.

Continuous improvement

Postsecondary education is in a state of constant flux. That, in turn, reflects the changing needs of our students and the communities and employers who rely upon them once they graduate. It also reflects changes in technology, cognitive and learning science, and societal expectations about the role, timing, location, and even delivery of education after high school. Fortunately, we have tremendous faculty and staff who are dedicated to our mission and our students. They are talented and creative. They are our most precious resource. And they require our ongoing support.

Support entails our compensating employees fairly for what they do. Ours is a people business, and it should come as no surprise that personnel costs represent approximately 75% of our total Education & General expenditures.

It also requires our dedicated attention to helping employees stay current in their professional practice, enabling them successfully to navigate the constant and even rapid pace of change and delivering ever better outcomes for our students.

Employing strategic approaches

The State System Board of Governors has frozen tuition beginning in Fall 2019 through today, in an unprecedented move to help stall the narrowing gap in affordability between the State System and the next affordable option in the state and mitigate the impact of prior years' tuition increases on low- and middle-income students that the state needs most to succeed in meeting workforce development goals.

Freezing tuition has helped to make State System universities even more affordable than other in-state options. Doing so, however, has not had any material difference on national affordability rankings. Indeed, Pennsylvania is slipping further behind other states. Of even greater concern are actions taken in contiguous states, e.g., the State University of New York (SUNY), which deliberately target Pennsylvania residents by offering them a lower net price of attendance at a SUNY school than they can find anywhere in Pennsylvania.

Your State System universities cannot, on their own and via the various administrative means referenced above, lower the net price of attendance far enough to reverse declining enrollments of low- and middle-income students or position themselves competitively vis a vis other out-of-state providers. That requires greater public support in the form of annual appropriations made directly to State System universities and/or grants, scholarships, or other financial awards made directly to students.

Through the portfolio approach described, the State System has stalled the upward trajectory in students' net price. It has gone from an annual average increase of 4.0% from 2010-2018 to a 2.8% overall change from 2019-20 to 2021-22.

The gap between the State System and the next most affordable higher education options in the state began narrowing between 2010-11 and 2016-17 but has expanded since, reflecting many of the administrative changes. For comparative purposes, and to show how relatively expensive public higher education is in Pennsylvania, the following figure includes net price of attendance for students in contiguous states who attend a comparable in-state four-year public university

and is weighted by university enrollment. It is important to note that average net price of attendance is weighted according to the proportion of students living on campus. In 2020-21, there was a great reduction in the proportion of students living on campus, thus temporarily decreasing the average net price of attendance in universities (like the State System universities) where a large proportion of students typically live on campus. This information is grayed out due to this anomaly in the data. The average net price for State System universities has shown a small increase into Fall 2021 from Fall 2019, due primarily to increases in room, board, and allowances for other student expenses (travel and personal).

**Average net Price for First-time, Full-time In-state Undergraduate Students
 (Cost of Attendance minus Average Grants)**

	2010-11	2018-19	2019-20	2020-21	2021-22	Percentage Change from 2010-11 to 2021-22
State System	\$14,272	\$19,541	\$19,206	\$17,374	\$19,744	38.3%
PA State Related	\$18,034	\$23,250	\$23,737	\$22,974	\$22,508	24.8%
PA 4 Year Private	\$24,446	\$28,026	\$28,901	\$26,535	\$28,813	17.9%
National 4 Year Public	\$10,990	\$13,533	\$13,829	\$13,787	\$14,411	31.1%
PA 4 Year Public	\$16,394	\$21,584	\$21,726	\$20,134	\$21,228	29.5%
DE 4 Year Public	\$10,796	\$12,724	\$14,141	\$13,415	\$12,794	18.5%
MD 4 Year Public	\$13,332	\$16,969	\$16,690	\$14,273	\$16,055	20.4%
NJ 4 Year Public	\$14,487	\$17,152	\$18,159	\$14,916	\$16,703	15.3%
NY 4 Year Public	\$9,603	\$10,876	\$11,365	\$11,107	\$12,175	26.8%
OH 4 Year Public	\$14,349	\$16,077	\$16,901	\$16,538	\$16,817	17.2%
WV 4 Year Public	\$8,666	\$10,533	\$11,034	\$11,322	\$10,638	22.8%

Source: IPEDS (data as pulled on 09/12/23)

Room and board costs are weighted in IPEDS' calculation based on number of students reported in each housing status (on-campus, off-campus not with family, off-campus with family)

Cost of Attendance includes tuition, fees, room, board, books and supplies, and other expenses, as budgeted by the financial aid offices

Average Grants--All "free" financial aid to the student (from federal, state, local, or institutional sources) that which does not need to be repaid. Includes need-based and merit-based awards, such as Pell grants, PHEAA grants, scholarships, waivers, tuition discounts, etc.

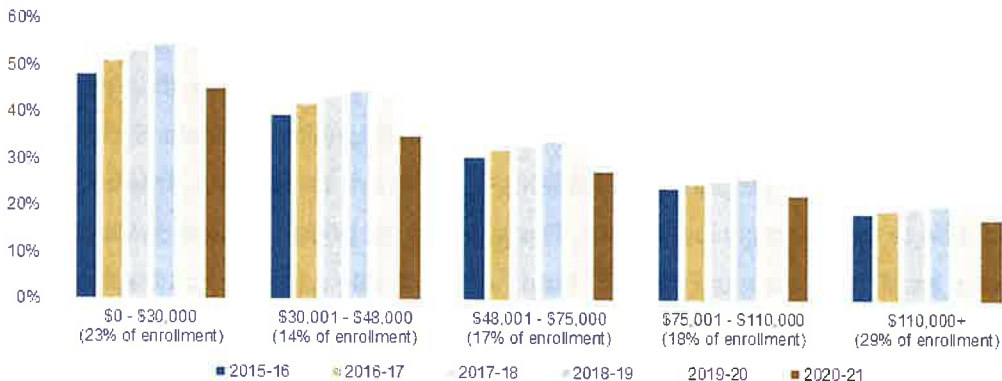
Net Price data is weighted for each group based on the IPEDS cohort of first-time, full-time undergraduates receiving any grant or scholarship aid (in-state only for public, all for private)

Students living off-campus with parents do not have room and board cost components in IPEDS, so the net price will be lower for universities with more students in that position. This is particularly important to note for 2020-21 and 2021-22, where the housing status for students varied between universities due to the specific COVID restrictions for on-campus housing at each university.

Student aid

Despite an increasing availability of student aid, overall increases in the net price of attendance have hit low- and middle-income students hardest. Students from the two lowest income groups have seen the highest percentage increase in their net price of attendance when calculated as a percentage of family income, a 4% to 6% increase in the past five years. These students make up a majority (over 70%) of total undergraduate enrollments at State System universities. The net price as a percent of family income declined for all income groups in 2020-21, which follows the overall trend in the net price as shown in the following figure.

Net Price as Percent of Family Income for State System Undergraduate Students



Source: The Integrated Postsecondary Education Data System

Notes: Data is for first-time, full-time, degree/certificate-seeking students paying the in-state tuition rate, who received any Title IV federal financial aid. Net Price is the total of tuition, fees, room, board, books and supplies, and other expenses, less the average federal, state, local, or institutional grant or scholarship aid.

2020-21 data is from the pandemic year, where more students lived off-campus with family than in other years. IPEDS only includes room and board cost allowances for students who live on-campus or off-campus not with family in net price calculations. This results in lower reported costs for students living with family, and therefore an overall lower average net price for that year.

Institutional aid is money that universities take from operating budgets, donor gifts, and other sources, and distribute to students as grant aid in order to reduce their total price of attendance. State System universities fall behind public four-year universities nationally in terms of the proportion of their students who receive institutional aid and the average amount of aid distributed to each student. While State System universities have distributed aid dollars to a growing proportion of students in recent years, the average aid per student has declined except for the most recent two years of data. While the upward trend in available aid is promising, it reflects the availability of one-time federal relief funds and is not sustainable without additional ongoing support from the state. As elsewhere, there is considerable variation among universities.

Loan debt

Need is Cost of Attendance (tuition, fees, room, board, and allowances for books and supplies, transportation, and miscellaneous expenses) minus Expected Family Contribution (the amount a student is expected to pay for their education as calculated based on a student’s completed Free Application for Federal Student Aid, or FAFSA). Need is met by students in a variety of

ways, including through grants and scholarships, loans, on-campus work study, off-campus employment, tax credits, and private support.

Because price of attendance has grown more rapidly than available aid and average family income, need has grown, driving greater reliance on student loans.

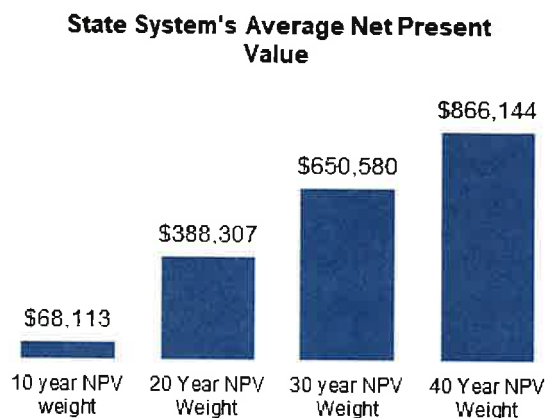
Loan debt for State System university graduates is high compared to other public universities outside of Pennsylvania, reflecting low overall state support and resulting increases in student tuition and fees. Despite this, the overall student default rate of 2.0% is lower than the national average (2.3%) and indicates that State System graduates are employable, getting good jobs that enable them to pay back their debt. Several universities have experienced variances in most recent data due to increasing data quality efforts at their institutions and changes in tuition pricing models.

Demonstrable value

The State System has consistently offered the most affordable four-year education option in Pennsylvania and delivers value to students by providing opportunities for upward economic and social mobility. The degrees and credentials earned from a State System education help students from low-income families join the middle class and help others to continue climbing the economic ladder. A State System degree catapults graduates to good, family-sustaining jobs. In fact, 75% of students from low-income families climb into the middle class within a decade after graduation from a State System university. Their higher incomes create economic security for their families, support their local rural or urban communities, and collectively provide a powerful boost to Pennsylvania's economy.

Over their lifetime, college graduates earn 84% more than those with a high school diploma alone. On average, workers with a bachelor's degree earn about \$70,000 per year and \$2.8 million throughout their career. Each additional education level typically pays off with higher income jobs throughout a lifetime.

The following figure shows the net present value (NPV) of a student's investment in their State System university education after 10, 20, 30, and 40 years, as well as lifetime earnings compared to those for a Pennsylvanian with no more than a high school diploma.



On average, State System university graduates receive a return on investment of \$866,144 forty years after graduating.

NPV is how much a sum of money invested today is worth in the future. For higher education, this metric demonstrates what graduates get in terms of salary for their investment in a State System degree. It considers the net price of attending a State System university and graduates' salary outcomes. Forty years after graduation, a degree holder would have earned \$866,144 more than a person without a degree.

Looking ahead

We will continue to focus tirelessly on our students' and our universities' success, and on Pennsylvania's workforce needs which are large, growing, and threaten the commonwealth's competitiveness.

Today, 60% of all jobs in Pennsylvania require someone with some postsecondary education, which only 51% of adults have. Absent an appropriately skilled labor force, employers will locate their jobs elsewhere. They have begun to do so. Today, Pennsylvania is ranked 41st nationally in unemployment; 10 years ago, it was 24th. Pennsylvania can only fill its talent gap if low- and

middle-income people who are currently priced out of Pennsylvania higher education can afford to participate in Pennsylvania higher education. The gap is too big to be filled by the affluent who are not yet educated to a postsecondary level.

Anything we and the state can do to improve affordability and access and expand opportunities that provide Pennsylvania students a jumpstart to their postsecondary education could go a long way to helping Pennsylvania remain competitive. With strong continued state investment in the State System and the students it serves, we can provide more opportunities like dual enrollment, improve the basic affordability of public higher education, minimize the net price for Pennsylvania students and, better yet, contribute even more graduates to meet our pressing urgent workforce needs.

PASSHE and its universities will also continue to be mindful of the choices we make about how existing dollars are used and what scope of operations—programmatically and otherwise—we maintain while investing in the new initiatives that reflect the evolving demands of our students and the Commonwealth.

We will also strive to treat our faculty and staff fairly and equitably; act in a fiscally responsible manner; focus tirelessly on our students' and our universities' success; and keep student tuition at or below the prevailing rate of inflation—with continued support from the General Assembly needed to achieve that.



Mr. Chairman, esteemed members of the General Assembly, and fellow citizens of Pennsylvania.

My name is Tiffanie DeVan. I am a Higher Education Access Partner at the Pennsylvania Higher Education Assistance Agency (PHEAA), tasked with promoting awareness of state and federal student financial aid programs that help parents and students with paying for higher education.

I would first like to extend a warm welcome to Representative Schweyer, who was recently appointed to the PHEAA Board of Directors. We look forward to working with you as we strive to provide affordable access to higher education for the students and families of Pennsylvania.

PHEAA is pleased by strides being made in higher education during this legislative session. Our management does not support or oppose any legislation, unless the PHEAA Board takes a formal position. PHEAA is always encouraged by the introduction of legislation that responsibly tackles the cost of higher education for students and families, by providing more transparency and mechanisms to encourage more savings for a postsecondary degree.

PHEAA stands ready to assist private sponsors in achieving their policy objectives that align with our long-standing public service mission.

Today, I would like to address a matter of great importance – the significance of completing the Free Application for Federal Student Aid (or FAFSA).

The FAFSA is the most important application to complete for almost all types of financial aid. This includes federal and most state grants, scholarships, low-cost student loans, and work-study programs. It's also required for the Pennsylvania State Grant Program and other state aid programs. And even many school-based financial aid programs require the FAFSA.

As I mentioned, the FAFSA is needed to qualify for the PHEAA-administered PA State Grant, Pennsylvania's largest state-funded student aid program. For the second year in a row, qualifying students can take advantage of the largest maximum PA State Grant award ever offered of \$5,750 – an accomplishment that we are very proud of at PHEAA.

Research shows that a PA State Grant recipient who also receives a federal Pell Grant has an average debt load that is more than \$7,500 less than the average borrower.

And after slightly expanding eligibility criteria last year, we had more than 455,000 applicants for the 2022-23 award year and approved grants for more than 107,000 students.

That's why completing the FAFSA is a critical step in a student's journey. It serves as a gateway to affordable higher education. It's a key that can unlock doors to brighter futures, empowering our youth with the tools they need to succeed in an ever-challenging world.

However, we understand that navigating the financial aid process can be daunting. The intricacies of the FAFSA can appear overwhelming, and for many, it's a roadblock that discourages them from pursuing higher education.

We expect this year to be particularly challenging as the FAFSA for the upcoming 2024-2025 academic year, typically available on October 1st, is delayed until December due to the FAFSA Simplification Act, an effort by the U.S. Department of Education to improve the form, making it easier for students and families to complete. This is where our commitment to bolstering financial literacy comes into play.

At PHEAA, we firmly believe that knowledge is power. We are dedicated to ensuring that every student and family in Pennsylvania is equipped with the knowledge and resources they need to make informed decisions about their education.

Our PA School Services group plays a vital role in our outreach efforts. Our team is made up of 13 Higher Education Access Partners, including myself, strategically located throughout the Commonwealth.

Through a wide array of initiatives and programs, we work to bridge the gap in financial literacy. Each year, we host hundreds of workshops, both in-person and virtually, webinars, trainings, and events to demystify the financial aid process. We've partnered with government officials, local schools, and community organizations to provide resources and guidance on financial planning for higher education.

Last year alone, PHEAA Access Partners conducted more than 3,300 financial aid-related events - reaching more than 35,000 individuals with personal student aid assistance.

PHEAA also offers online College Planning through [EducationPlanner.org](https://www.educationplanner.org) which is a premier college and career planning website, national college search, college admission and decision guidance, financial aid information, free scholarship search, and much more. To help students make the best decision for their financial future, PHEAA launched [MySmartBorrowing.org](https://www.mysmartborrowing.org). This free resource helps users understand how different career, school, and financial decisions can influence the total cost of their education.

Throughout the year, PHEAA also offers a variety of financial aid webinars, including an overview of how to apply for all types of financial aid, reviewing financial aid offers, financial aid for non-traditional students, and more!

At PHEAA, we always encourage free money first. However, in the event that a student has exhausted all grant and scholarship options for the year, PHEAA can step in to cover 100% of their remaining costs through the PA Forward Student Loan Program, which was designed to assist PA students and families in achieving their goal of financing higher education. PA Forward provides loans for undergraduate and graduate students and parent borrowers. Additionally, borrowers in repayment can refinance with PA Forward to combine all their federal and private loans into one convenient monthly payment.

PA Forward offers Pennsylvania's best state-based student loan option, providing loans at competitive rates with better borrower benefits, as compared to most private education loan programs.

As you can see, PHEAA proudly supports Pennsylvania students and families throughout the entire course of their postsecondary education journey.

I urge you all to recognize the pivotal role we play as stewards of Pennsylvania's future. It's a role that transcends political lines and party affiliations. It's a role that demands our collective commitment to prioritize education, to invest in our students, and to ensure that every Pennsylvanian has the opportunity to pursue higher education without undue financial burden.

Together, we can empower our students to reach for their full potential, to seize the opportunities that education provides, and build a brighter future for themselves and for our Commonwealth.

Thank you for the opportunity to testify today and let us continue our work toward building a stronger tomorrow.



**Testimony of Dr. Kara Laskowski
Chair - Human Communication Studies, Shippensburg University
Before the House Education Committee
Informational Hearing on College Affordability
Thursday October 19th at 10:00am**

Chairman Schweyer, Chairman Topper, and members of the House Education Committee,

Thank you for the opportunity to testify today about college affordability. My name is Dr. Kara Laskowski, and I am the Chair of the Department of Communication Studies here at Shippensburg University and the chair of the statewide meet-and-discuss committee for the Association of Pennsylvania State College and University Faculties (APSCUF). APSCUF represents about 5,000 faculty and coaches who work at Pennsylvania's 14 state-owned campuses.

First, thank you for visiting Shippensburg University. Our amazing students, faculty, and staff work hard each day to fulfill the original intent of Act 188 of 1982, which founded the State System of Higher Education. That mission:

(a) The State System of Higher Education shall be part of the Commonwealth's system of higher education. Its purpose shall be to provide high quality education at the lowest possible cost to students

Part of that mission is one of the reasons you are here today: student affordability. You all are partners in that mission, and you all must be acknowledged and thanked for your commitment to the State System, most recently for the historic investment over the last two budget cycles that included over \$100 million in increased funding and legacy-debt

relief for PennWest. Again, thank you all for this hugely important step on the path to regaining affordability at our state-owned universities.

The truth is, even with historic investment and tuition freezes for an unprecedented fifth consecutive year, we still have work to do. And you all are taking those important steps. Today I'd like to touch on the path to affordability. Planning and transparency are important pieces to the affordability puzzle. With House Bill 1686 and House Bill 1745, you are addressing this specifically.

APSCUF is supportive of both of these measures. With House Bill 1686, transparency about mandatory fees will allow students and their families to better plan and save for the real cost of college. Students should not have to worry about "surprise fees," and such surprises should be eliminated. With House Bill 1745, creating a new employer contribution tax credit will not only help families save for college but will help start that process early, with the 529 program. Both of these pieces of legislation seem like win-wins, and we hope they can reach the governor's desk this session.

Next is what we feel would be the most important and largest step to truly making public higher education as affordable as possible in Pennsylvania. And that is the Pennsylvania Promise program. Before I fully get into this program, I think it is important to add the voices of my students to stress just how important affordability is:

This semester, one of the courses I am teaching is with senior students in a social science research class. They are designing a study that examines perceived communicated social support (vs social isolation) and academic success. They have all become nationally certified in research ethics, and will conduct survey and interview research using quantitative and qualitative methods of analysis; skills that will benefit them in future careers as part of a project that we hope will inform University conversations about supporting our students.

These same students are also working. Every member of this class has a job; with many of them working hours such as 1am to 8am at a local distribution center, loading and unloading trucks. Others rush from class to get to a retail job. One young man is a member of the National Guard; in addition to his weekend drills, he also works overnight at a local warehouse. They are not working for spending money or saving up for an epic spring break trip. Instead, they are laboring to pay for college, and in many cases, to assist their families at home. And the consequences for their education are profound. I rarely see students in office hours - not because they are unmotivated or reluctant to ask questions or explore content in greater depth, but because they are at work. Some of them come late to class, or nod off for a moment or two but are quick to let me know that it's not me - it's their schedule. Time for out of class projects, studying, and simply thinking is consumed with picking up an extra shift, money worries, and concerns about

whether they will be able to afford to return next semester. The financial pressures our students face undermine their academic achievement, deprive them and our local community of service learning and internship opportunities, and threaten the mission of our institutions.

Those powerful stories are backed up by the data, which shows the urgency we need to move with, if we want to ensure affordable opportunities for students and also fill our statewide workforce.

The State Higher Education Executive Officers Association (SHEEO) is a group that produces higher-education data. Their [2022 State Higher Education Finance Report](#) found the following:

- **Pennsylvania ranked 49th in public-higher-education appropriation per FTE.** Pennsylvania appropriated \$6,090 per FTE for public-higher-education students in 2022 (constant adjusted dollars). For comparison, our neighbors appropriated:
 - New York - \$13,897 per FTE
 - New Jersey - \$8,965 per FTE
 - Maryland - \$9,759 per FTE
 - Ohio - \$7,214 per FTE
 - U.S. average - \$10,237
- **Pennsylvania ranks 8th in net tuition revenue per FTE** (constant adjusted dollars - 2022). Students in Pennsylvania make up \$11,149 in tuition revenue for universities. Due to lower state funding, students are picking up the tab, with higher tuition to make up the difference. For comparison, our neighbors contributed the following intuition revenue:
 - New York - \$6,224 per FTE
 - New Jersey - \$7,969 per FTE
 - Maryland - \$8,047 per FTE
 - Ohio - \$9,708 per FTE
 - U.S. average - \$7,244
- **Pennsylvania ranks 4th in student share, with students covering 64.7% of total education revenue (2022).** This is an increase of 32% since 1980. The student share is the net tuition of total education revenue by state. This shows Pennsylvania's public-higher-education systems are more student-funded than state-funded. For comparison, our neighbors' student share was:
 - New York - 30.9%
 - New Jersey - 47.1%
 - Maryland - 45.2%
 - Ohio - 57.4%

- U.S. average - 41.7%

The student stories are clear, and the data is clear: We are forcing students in Pennsylvania to fund our public higher education. Thankfully, we have an answer to the affordability questions: the Pennsylvania Promise.

We are hopeful that in the near future a promise program will be introduced again in Pennsylvania. In previous sessions, Senator Vince Hughes and Chairman Jordan Harris have been the prime sponsors on these pieces of legislation. The goal is a simple one: offer direct-to-student grants, so students can pay less to attend public universities and graduate with little to no student debt.

Based on previous legislative sessions, the legislation could include community colleges, State System schools, and state-related universities. Qualifying students based on a household income level would apply through a “last dollar” program, which would require a student to go through federal and state grant and aid programs first. Then, based on available funding, the state would directly support students through grants. Typically, grants could cover tuition and fees. Based on a lower household income level, those grants could also cover housing for students. We are talking about life-changing opportunities for the future of our Commonwealth.

This “promise program” concept is bipartisan, popular, and proven. These programs are currently statewide in 30 states, and that does not include the hundreds of local promise programs across the country.

We believe if the Pennsylvania Promise program were to pass in this legislative session, it would have one of the most positive impacts on student affordability we have seen in decades. Additionally, if done as a well-tracked pilot program, the general assembly could track retention and graduation rates for those who take advantage of the program. We believe it is time to make the Pennsylvania Promise a reality in our Commonwealth. Our students can’t afford to wait.

Thank you for your time, and we look forward to continuing to work with you on making college affordable in Pennsylvania.



800 N. Third Street, Suite 405
Harrisburg, PA 17102
www.pacommunitycolleges.org





October 19, 2023

Members of the House Education Committee:

The Pennsylvania Commission for Community Colleges is pleased to have the opportunity to testify before the Committee concerning dual enrollment programs offered by community colleges.

Testifying on behalf of the Commission is Dr. Ann Bieber, Vice Chair of the Pennsylvania Commission for Community Colleges and President of Lehigh Carbon Community College.

The written comments submitted by the Commission are as follows:

- | | |
|--|-------------|
|  Opening Statement | Pages: 1-2 |
|  Overview of Dual Enrollment Programs | Pages: 2-3 |
|  Lehigh Carbon Community College Programs | Pages: 3 -5 |
|  Commonwealth Policy on Dual Enrollment | Pages: 5-6 |



800 N. Third Street, Suite 405
Harrisburg, PA 17102
www.pacomunitycolleges.org

October 19, 2023

**Testimony Presented to the House Education Committee
By Dr. Ann Bieber, President, Lehigh Carbon Community College**

Chairman Schweyer, Chairman Topper and Members of the Committee, thank you for the opportunity to provide testimony on how community colleges are increasing affordability of higher education for Pennsylvania's students through dual enrollment programs.

The Pennsylvania Commission for Community Colleges, for which I serve as Vice Chair, represents each of the Commonwealth's 15 community colleges. Collectively, community colleges as a sector of higher education serve more than 236,000 students making community colleges the largest provider of postsecondary education in the state.

The students we serve come from each of Pennsylvania's 67 counties and come from diverse backgrounds and experiences. Thirty-three percent of students who attend Pennsylvania's community colleges are over age 25 and 42% are from minority or other underrepresented groups. Additionally, Pennsylvania's community colleges serve more first-generation students and low-income students than any other sector of higher education.

Community colleges play a key role in strengthening Pennsylvania's workforce and economy, as the sector collectively is the largest provider of postsecondary training in the Commonwealth.

The colleges offer a range of both credit and non-credit workforce development programs. During 2021-2022, the colleges offered more than 1,300 credit programs, approximately 40% of which are in STEM-H fields. More than 75% of all of the college's programs align with High Priority Occupations (HPOs) as identified by the Pennsylvania Department of Labor & Industry. These occupations include nurses and other allied health professionals, computer technicians, web developers, early childhood workers and public safety professionals, among others.

The importance and impact of the training that Pennsylvania's community colleges provide is underscored by the fact that more than 2,100 employers partner with the colleges to train their workers. Through these partnerships, the colleges provide customized training for 87,000 Pennsylvanians in critical professions such as municipal law enforcement, fire fighters, machinists, EMS professionals, and mechanics to name a few.

At the core of the community college model is accessibility and affordability.

While Pennsylvania continues to rank near the bottom in the nation in terms of higher education affordability, community colleges provide students with the opportunity to save tens of thousands of dollars on their path to earning a baccalaureate degree or prepare them to directly enter the workforce while incurring little to no student debt.

Still, Pennsylvania's community colleges are not content with this fact, as each of our colleges are diligently and continuously implementing new ways to help students pursue a postsecondary degree or credential in a manner that minimizes cost and increases completion.

One such method, which has recently been noticed by policymakers throughout the nation, is dual enrollment programs that enable high school students to take community college courses that simultaneously count towards high school graduation and earn college credit.

Nationally, more than one million students enroll in dual enrollment courses through partnerships their school districts establish with higher education institutions. Community college dual enrollment programs account for approximately 70% of all dual enrollment across the nation.¹

Collectively, Pennsylvania's community colleges enrolled more than 19,000 students in dual enrollment programs for college credit in 2021-22. The impact of dual enrollment programs on students and the Commonwealth cannot be overstated.

Our colleges work with school districts to provide classes to high school students on our campuses. Depending on the agreement between the district and the college, dual enrollment courses may also be offered in the high school. Dual enrollment classes in the high school setting may be taught by high school teachers so long as the instructor meets the requirements placed on the college by our accreditors for teaching the course.

Although dual enrollment is primarily offered to students in an "a la carte manner," community colleges have also invested in establishing "Early College High Schools" (ECHS) that incorporate college courses into the high school curriculum.²

"Early College High Schools" enable students to graduate high school while simultaneously obtaining an associate degree, which saves students and families thousands of dollars for the cost of higher education. Compared to the more traditional form of dual enrollment, ECHS or similar

¹ [How Can Community Colleges Afford to Offer Dual Enrollment College Courses to High School Students at a Discount? \(ed.gov\)](#)

² [Dually Noted: Understanding the Link Between Dual Enrollment Course Characteristics and Students' Course and College Enrollment Outcomes](#)

programs are more intensive; however, research has shown they increase the likelihood that a student pursues higher education by 7% and completes a degree or credential by 12%.³

As President of Lehigh Carbon Community College (LCCC) and Vice Chair of the Pennsylvania Commission for Community Colleges, I have seen firsthand how dual enrollment in all its forms has a positive educational and financial impact on Pennsylvania students and families.

For the student, dual enrollment lowers the cost of higher education as it provides college credit at a considerable discount. A study conducted by the University of Texas in 2018, found that students who enrolled in dual enrollment courses were three times as likely to complete their degree in four years and on average completed their degree a semester early.⁴

The U.S. Department of Education also made a similar finding, asserting that dual enrollment programs reduce the length of time and, by extension, the cost for a student to obtain a postsecondary degree or credential.⁵

The value of dual enrollment extends beyond reducing the time and cost to complete a degree, as the educational benefits are also significant for students.

A study conducted in 2022, again in Texas, showed that dual enrollment increased the college application rate for low-achieving high school students by 20% while simultaneously increasing completion rates.¹

The educational benefit of dual enrollment begins in high school, as students enrolled in dual enrollment programs are more likely to graduate high school.⁶ The rigor of the coursework provided by community colleges in turns improves college readiness, which results in higher postsecondary completion rates for dual enrollment program students as compared to their peers.

Lehigh Carbon Community College embodies both the investment by community colleges into dual enrollment and the benefits that dual enrollment provides to students.

Dual enrollment courses are offered by LCCC in 21 different high schools in 16 school districts, charter schools, private schools and career and technical institutes across Lehigh, Carbon, and Schuylkill counties.

LCCC's dual enrollment program increased enrollment by 17% in 2021-22 from the prior

³ [ERIC - ED629763 - Assessing College-Credit-In-High-School Programs as On-Ramps to Postsecondary Career Pathways for Underrepresented Students. Research Brief, Community College Research Center, Teachers College, Columbia University, 2023-Apr](#)

⁴ [utsystem-dualcreditstudy.pdf](#)

⁵ [Dual Enrollment \(Knowles\) 1230pm \(PDF\) \(ed.gov\)](#)

⁶ [The Power of Dual Enrollment: The Equitable Expansion of College Access and Success - ED.gov Blog](#)

academic year. During the 2022-23 academic year, more than 211 dual enrollment classes were offered, enrolling 2,048 students. After high school graduation, 1,158 students registered at LCCC and the college has the capacity to enroll more students in dual enrollment programs and believes more students would do so if costs were not a barrier.

The impact on students who take our courses can be seen in the story of Anna Laible. Anna is a shining example of how LCCC's Dual Enrollment programs benefit students. Starting in the summer of 2019, Anna started taking dual enrollment courses through her high school and LCCC. This highly motivated young lady graduated from LCCC in 2023 with associate of arts degree in communication, *magna cum laude*.

Her professional goal is to be a sports broadcaster or reporter. While in high school, she served as a young reporter for Sports Illustrated Kids, one of 10 students nationally and the only one from Pennsylvania. She was recruited to be the young reporter for the televised National Dog Show Jr. in Philadelphia in 2022 which was streamed by NBC through its Peacock service.

In March 2020, she launched a podcast, Speak Up Sports which has aired 83 episodes already! For this exemplary student, dual enrollment helped not only reduce the cost of her associate degree, but made it easier for her show case her incredible talents prior to her graduation.

Students in dual enrollment classes from sponsoring school districts pay \$70 per credit with no fees which represents a 48% discount for the student. For classes taught by an approved high school teacher, that cost decreases to \$30 per credit which represents a 78% discount for the student.

And yet, the cost of dual enrollment is still prohibitive for many students. Our college works with donors and grant funders to help provide financial assistance to students when possible. But without a state program to reimburse our college for providing dual enrollment courses, LCCC is offering this benefit to students at a financial loss.

Our dual enrollment students are prepared to continue their education, either at LCCC or another higher education institution. In the graduating high school class of 2022, for example, of the nearly 1,300 students who completed dual enrollment classes with LCCC, 21% (272) continued at LCCC to earn their college degree.

Of these high school graduates, a full 81% (1,047 students) continued their education at a college or university, either in Pennsylvania or nationally, at more than 200 different institutions.

As of this fall, LCCC is now in its fifth year of offering "Early College" for high school students. Again, Early College is a program for 11th and 12th grade students who enroll full-time at LCCC for two years, earning an associate degree while simultaneously earning their high school

diploma.

Over 200 students have graduated high school with their associate degree and successfully transferred to 36 different colleges and universities. Currently, 153 students are enrolled in the Early College Program.

To emphasize again, students taking dual enrollment courses receive the educational benefit of our programs and realize significant savings. An analysis by the Commission showed that a student who earned 6 college credits by the time they graduated high school through our programs could save between \$16,000 and \$45,000 on a baccalaureate degree depending on where the student transfers to finish their degree.

While dual enrollment has the potential to improve postsecondary attainment and reduce the cost of higher education, challenges remain.

Particularly, Pennsylvania and the rest of the country must address how to expand dual enrollment opportunities for low-income, first generation, ESL and minority or other underrepresented students. These students, due to the cost and other factors, are less likely to enroll in a dual enrollment course as compared to students from families with higher incomes.³

Compared to the rest of the nation, Pennsylvania has been slow to support community colleges or other higher education institutions' efforts to provide dual enrollment opportunities. Prior to the start of FY 2022-2023, Pennsylvania was one of two states that did not have a statewide program to subsidize the cost for families to enroll their students in dual enrollment programs.

While Pennsylvania briefly invested in dual enrollment programs with a \$7 million appropriation during FY 2022-2023 this funding was eliminated from the state budget in the General Appropriations Act for FY 23-24.

This being said, the Commission, and the community colleges that comprise it, were encouraged to see the House add into House Bill 27, the omnibus school code amendment, provisions from House Bill 1434 to strengthen the ability of community colleges to expand dual enrollment offerings should new funds become available.

We are grateful for Representative Mary Isaacson for sponsoring House Bill 1434 along with your efforts, Chairman Schweyer, to see that any school code adopted by the House for FY 23-24 included improvements to a statewide dual enrollment effort by the Commonwealth.

The Commission recommends that the Commonwealth again invest in a statewide dual enrollment program as outlined in House Bill 1434/House Bill 27. Renewed and sustained investment in a dual enrollment program will help community colleges and other higher

education institutions expand dual enrollment offerings, resulting in greater college readiness; increased postsecondary degree attainment; lower cost of higher education for students and families; and a stronger workforce and economy for Pennsylvania.

Thank you again for the opportunity to provide testimony on behalf of the Pennsylvania Commission for Community Colleges, Lehigh Carbon Community College and Pennsylvania's 14 other community colleges.

I am happy to answer any questions that the Committee has on dual enrollment and its benefits for Pennsylvania students and our Commonwealth.

**PA House of Representatives Education Committee
Hearing on Dual Enrollment and College Affordability
Testimony of Thomas P. Foley, President
Association of Independent Colleges and Universities of PA
October 19, 2023**

Good morning, to you Chairman Schweyer, Chairman Topper and fellow members. My name is Tom Foley. I am here today as President of the Association of Independent Colleges and Universities of Pennsylvania (AICUP), which is a statewide association composed of 90 independent nonprofit colleges and universities. These schools range from world class powerhouses like Penn, Carnegie Mellon, Lehigh and Drexel to local community builders and regional economic drivers like Lackawanna, Cedar Crest, Neumann and Peirce in the East and Geneva, Gannon, Waynesburg and Grove City in the West.

These 90 schools serve a little over half of all 4-year degree seeking students in Pennsylvania, contribute \$24B in GNP to the Pennsylvania economy every year, supply the largest number of new PA-based workers each year from any higher ed sector (44,000) and are embedded in 60 towns and regions across the commonwealth for an average of 137 years. They are educators, employers, workforce suppliers, philanthropic drivers and community builders.

Before this position, I spent almost a decade as President of Mount Aloysius College in Cresson, PA, where 85% of our students were in career directed majors, 60% of our students were first generation to college and 50% were low-income PHEAA and Pell students. During my time there, Mount Aloysius was the only Pennsylvania school honored (one of four in the country) by the White House as an “Engine of Opportunity” for its success in graduating low-income students on time and with manageable debt.

I also spent over a decade on the workforce side of post-secondary education, as the Pennsylvania Secretary of Labor and Industry under Governor Casey, and as the six-state representative on workforce training and other related issues for the US Department of Labor. In that capacity, I worked with a wide variety of workforce investment boards under successive national schemes for job training and workforce development.

Finally, in terms of qualifications to comment on this important topic, I am a first-generation college and law school graduate myself, grandson of Irish immigrants who came to this country with little in the way of formal education.

The independent nonprofit institutions of AICUP serve 280,000 students including:

- 52% of all four-year degree seeking students in the commonwealth
- 44% of all post-secondary (2-year, 4-year and graduate) students
- 44% of PHEAA PA State Grant recipients
- 49% of all working age adult students seeking bachelor’s degrees
- 54% of all minority students seeking bachelor’s/advanced degrees

When we look at the commonwealth's workforce needs, it is also important to note that these schools contribute the most workers annually to the state by awarding:

- 79,000 degrees annually with 44,000 of these students staying to work in PA
- 67% of the nursing degrees
- 40% of the education degrees
- 45% of the STEM degrees

In addition to the number of workers that graduate from these schools, they, and their employees, students and visitors, contribute the most of any higher education sector to the PA economy. An independent study confirmed that they provide:

- \$24B annually to the PA GNP (more than twice that if we include our medical systems)
- \$1 of every \$30 in our economy
- 1 of every 32 jobs in our state
- \$3.4B spending in local communities
- 5.3M volunteer hours

In return on investment (ROI) terms, these schools (from the same independent study):

- Return \$148 to the Pennsylvania economy for every \$1 in state taxpayer funds
- Cost the taxpayers \$2,102 per degree (about 1/8th the cost of a public college degree)
- Support and sustain over 195,000 commonwealth jobs, which
- Contribute a significant piece of the local property and income tax base for local k-12 school systems, for local law enforcement and other municipal, regional and local services.

And they do all of this every year. PA is practically unique in this country in the range, value and contributions of independent nonprofit institutions of higher education, and AICUP is the single largest such association in America.

These independent nonprofit schools receive state funds, through PHEAA, for their lower income students. Those funds amount to 9% of PA higher education funding. Even with that level of support, these schools educate 52% of PA's total enrollment, and provide the most new workers from any higher ed sector to the Pennsylvania economy each and every year.

Most importantly, with an average age of 137 years, they buttress 60 communities in this state--anchoring cities, towns and boroughs across the Commonwealth--historically, economically, philanthropically and educationally. Many of you know that part of the story personally, from the towns and regions that you represent.

A number of these institutions trace their founding to the very creation of Pennsylvania, almost 250 years ago. Some of them were founded over 150 years ago by religious communities of every denomination in order to provide a values-based higher education to their members, because no one else was doing so. Though most of these schools have since moved to a more secular approach, they remain economic bedrock and community pillars in the towns, boroughs and cities where they began.

With more than 5,000 years of collective experience in Pennsylvania as well as educating current students from every one of our 67 counties, these independent nonprofit schools are an integral part of the story of this commonwealth. Most of them are small schools in small towns, and are the literal livelihoods, the bone and marrow of those communities. Frankly, we are very, very fortunate to have such a vast and high-quality network of independent nonprofit colleges and universities in our state.

Thank you for the opportunity to address this committee on dual enrollment and the affordability of higher education. Let me offer three topics for your consideration:

- ✓ Cost drivers as we see them today;
 - ✓ Key numbers that define costs; and
 - ✓ 8 cost saving ideas for your consideration to best tackle this issue.
-

There are many drivers that increase and impact the cost of higher education. We have broken these down into two categories – Inflation/Economic Drivers and Instructional/Student Support Service Drivers.

The costs associated with **inflation and the economy** can vary between regions and institution types. As with personal budgets, an increase in inflation, decrease *in* or stress *on* the availability of resources affect colleges *just* like they do any other employer. As you know, Moody's recently reported that the average household spent \$709 more a month this past July than it did two years ago. Those same cost drivers affect our schools too and are familiar to all of you:

- ✓ **General Living Expenses** – these include the increased cost for food, water, sewage and other necessities.
- ✓ **Energy** – this includes gas, electricity, power plant and associated items – The US Energy Information Administration (EIA) reports that retail prices of electricity are up 7.5% over 2021. Although gas is currently lower than last year at this time, it is beginning to rise again, as is the cost of oil.
- ✓ **Technology** – this includes computers, programs and system upgrades – these items have ever-increased costs and are constantly changing, requiring significant and frequent upgrades – even more so as students demand online and alternative learning options.
- ✓ **Debt Costs** – interest rates directly affect bonds by reducing the purchasing power – if a bond has a yield of 10% and interest rate grows by 6% over half of the bond yield is gone, forcing colleges to reexamine their financing strategies and finding those dollars elsewhere.
- ✓ **Transportation** – from students to college events, transportation costs affect both the college and student body – according to the Bureau of Labor Statistics Consumer Price Index, these costs have been trending upward the last year – transportation services are up 13.9% in the last 12 months (as of March 2023) and new vehicle costs are up 6.1%.
- ✓ **Personnel Costs** – employee retirement, benefits and healthcare – with healthcare being one of the largest employer costs and it is predicted that we will see the largest increase in health insurance costs in a decade in 2024, according to multiple benefit consultants (Mercer, Aon and

Willis Towers Watson). Their estimates range from increases between 5.4% and 8.5% for health care alone.

The need for different and additional **student support services along with instruction** also continues to increase the costs for students and universities. Colleges and universities are somewhat unique on the education spectrum because they cover all services for students 24/7—food, housing, safety, entertainment, and of course education. These services vary by campus and student but are most important to the neediest students and can include:

- ✓ **Mental Health** – the need for this was already expanding prior to Covid, but the pandemic just accelerated and increased the overwhelming mental health issues students experience at all educational levels.
 - ✓ **Learning Loss** – due to the variances and ability of students to attend schools during Covid, the learning loss has led to providing students more academic supports such as increased remedial services, tutoring, learning strategies, etc.
 - ✓ **Changing Student Profile** – as we move into a new era of education, there is an increase in needs for the “non-traditional” student. Unlike even a decade ago, many schools now devote resources to battle food/housing/transportation insecurities, to support new parent pathways, to provide internet access, and to improve mental wellness.
 - ✓ **Overall Expectations** – a college campus is a 24/7 living and lived-in environment, with the institution responsible for all aspects of housing, basic sustenance, technology access and security, and even for many aspects of their students’ overall well-being (medical care, etc.), entertainment, transportation, etc. with most of these expected services apply to both full-time residents and part-time or commuting students.
 - ✓ **Laws and Regulations** – another cost driver for educational institutions are increased mandates and reporting stemming from law and regulation changes at both the federal and state level. As program changes are made, new data sets mandated, tuitions waived and general employment requirements increased, the operating costs for the college increase--just as for any other regulated businesses. Their *all-services-provided* environment requires them to follow, finance and enforce all applicable nonprofit, employer, health and safety, student aid, and education laws.
-

Key numbers that define the issue: 45%, \$13,057, 0.4%, 44,000 and 90%

45%

45% is the portion of all Pell-eligible (low-income) students who matriculate to Pennsylvania’s independent nonprofit (AICUP) schools, almost 50% higher than the percentage of those students attending our 4-year, state funded sectors of higher education (Chart 1)

**CHART 1
Undergraduate Students Receiving Pell Grants, 2020-2021**

Higher Education Sector	Students Who Receive a Pell Grant	Percent of Total	Percent of Total Excluding Community Colleges
AICUP Colleges & Universities	46,745	33%	45%
State-Related Universities	31,983	23%	31%
Community Colleges	37,056	26%	
State System Universities (SSHE)	24,919	18%	24%
TOTAL	140,703	100%	

Source: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS) 2020-21 Financial Aid Survey.

That number is surprising to many people. Many assume that working class, first-generation, and lower income students are all attending publicly funded state schools. There is also a general assumption that the publicly funded schools are the only sector that needs additional support for their students because they serve more of the lower income students—but neither of these is, in fact, the case. The highest portion of Pell- and PHEAA- eligible students (by definition, students demonstrating the highest financial need) typically thought to be served more prevalently by public institutions are educated in AICUP schools, not in the publicly funded schools.

How do the independent nonprofit schools do it while containing costs? —they get less state aid 9% of the total amount going to higher education, (Chart 2) educate a higher percentage of low-income, minority and non-traditional students (many of whom need additional supports) and still graduate their students faster and with less average debt than their publicly funded counterparts. We will offer several suggestions in just a few minutes.

Chart 2
Pennsylvania Higher Education Appropriations, 2020-2021

Higher Education Sector	General Fund Appropriation 2020-2021	Institutional Assistance Grants (IAG) 2020-2021	Total PHEAA Dollars (Includes		Percent Funds by Sector
			State Grant + RTSS) 2020-2021	TOTAL State Funds By Sector	
AICUP Colleges and Universities	\$0	\$30,769,675	\$130,884,518	\$161,654,193	9%
State-Related Universities	\$597,057,000		\$87,877,907	\$684,934,907	40%
State System Universities	\$477,470,000		\$67,988,977	\$545,458,977	32%
Community Colleges	\$301,860,000		\$22,452,445	\$324,312,445	19%
Total	\$1,376,387,000	\$30,769,675	\$309,203,847	\$1,716,360,522	100%

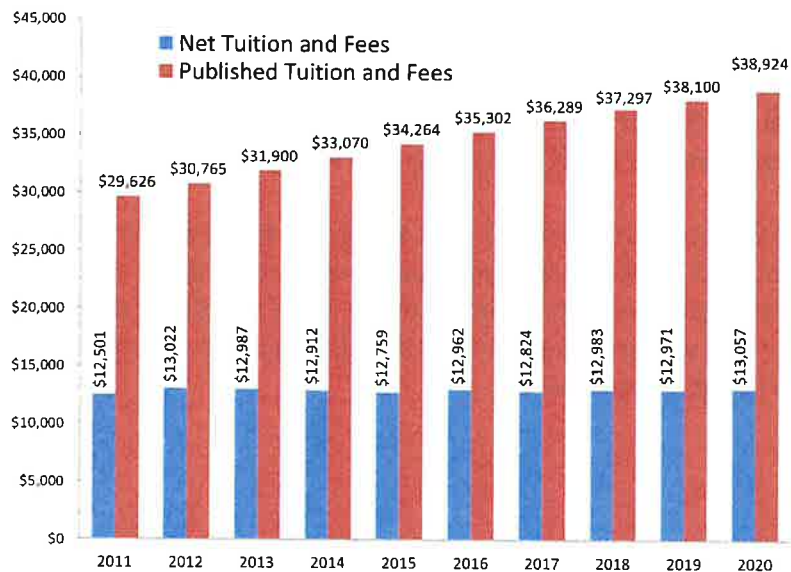
Source: Pennsylvania Office of the Budget and Pennsylvania Higher Education Assistance Agency (PHEAA).

Let me add a second number that helps explain the success of the AICUP schools.

\$13,057

That is the average net tuition and fees paid by undergraduate students with financial need at independent nonprofit schools in Pennsylvania (Chart 3) in 2021 (most recent data).

Chart 3
**Average Published Tuition and Fees and
Net Tuition and Fees after Students Scholarships and Grant Aid**



Source: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS) Institutional Characteristics Survey and Student Financial Aid Survey.

The AICUP schools total increase in average net tuition and fees in the last five years is less than \$100—it's actually a \$95 total increase and like all the numbers you have seen in this testimony, they are not AICUP numbers—these come from IPEDs, the data bank at the US Department of Education. Students attending AICUP schools receive most of their aid from the institution—they get direct aid from PHEAA (which accounts for 3% of all their financial aid grants), from Pell (7%) through the federal government and the rest of the aid comes by way of costs that are “discounted” (*forgiven up front*) by the colleges themselves. 90% of all aid our AICUP students receive comes from these schools from costs essentially forgiven at the outset (or “discounted”) from the sticker price. That *discount rate* has gone up to an average of over 50% off of the sticker price, as these schools compete for students, with both each other and with publicly funded schools. By keeping their net tuition and fees down, and cutting other costs, they have remained competitive in increasingly tight demographic markets. This is a key number for understanding higher education costs.

0.4%

That is the increase, in current dollars, in the average net tuition and fees paid by students with financial need at these AICUP institutions over the latest 10-year period reported (between 2011 and 2021). That is according to IPEDS data. If these dollars were inflation-adjusted, tuition and fee costs have actually decreased at these independent nonprofit schools -- these schools have to keep them down as they do not receive institutional state aid and they need to remain competitive with publicly funded institutions and with nonprofits in other states.

44,000

That is how many new workers enter the Pennsylvania workforce after graduating from one of these AICUP schools each and every year. The AICUP schools are the largest provider of new Pennsylvania workers of all post-secondary sectors, and this includes graduates from two- and four-year programs and graduates from the professional schools offered at some of our colleges and universities. These schools fulfill workforce needs throughout the commonwealth.

90%

This is both the percentage of AICUP students receiving aid and the percentage of students' aid that is provided by AICUP schools. These schools do not get blanket institutional state and federal funding and look to maximize the amounts that low- and middle-income students bring to their campuses through student aid funding.

	AICUP Institutions	Community Colleges	State System Universities	State- Related Universities
% of Students Awarded any Grant Aid	90%	78%	95%	79%
Average Grant Aid to those Awarded Aid	\$28,139	\$4,346	\$5,687	\$8,766
Total Amount of Institutional Grant Aid to Students	\$897,269,339	\$2,490,939	\$34,807,414	\$117,590,973

Pct of Grant Aid to Students by Source	AICUP Institutions	Community Colleges	State System Universities	State-Related Universities
Institutional grant aid	90%	7%	41%	63%
Federal grant aid	7%	79%	39%	26%
State grant aid	3%	13%	21%	11%

We have discussed some of the higher education cost drivers, and key numbers demonstrating that AICUP schools are working to hold the line on costs for the institution and students; now let's examine some additional steps that we can take to keep costs down for students.

First, fully fund PHEAA's Pennsylvania State Grant Program. PHEAA Direct Grant funds (\$347M) are the only dollars in the \$1.7B+ state General Fund budget lines for higher education that follow only Pennsylvania low-income students (as opposed to the \$1.4B which goes directly to institutions to benefit both in-/out-of-state, high-/low-income students). PHEAA Pennsylvania State Grants help undergraduates who share three qualities—*they are Pennsylvania residents, they want to pursue higher education, and they have demonstrated financial need* – to achieve their educational goals.

We are very grateful for your action over the last few years to get the PA State Grant back to its pre-Great Recession dollar level—the high-water mark before these grants were cut dramatically and award amounts to students decreased. Unfortunately, the spending power has not caught up, due to inflation and cost of living increases. These grants are still about \$1,000 lower in inflation-adjusted value than before the grants were reduced due to lower state revenues. Consequently, low- and moderate-income Pennsylvania students have lost significant purchasing power over the last decade as Chart 4 shows.

Chart 4
Smaller PHEAA State Grants = Increased Costs for Pennsylvania Students

Academic Year	PA State Grant Amount Needed To Keep Pace With Inflation	Actual Maximum PA State Grant	Annual Increased Cost Burden on PA College Students
2020-2021	\$5,868	\$4,525	\$1,343
2021-2022	\$6,184	\$5,000	\$1,184
2022-2023	\$6,691	\$5,750	\$941
2023-2024	\$6,921	\$5,750	\$1,171
4-year cost to low- and middle-income PA college students who need to take out larger student loans or find other sources of financial aid			\$4,639

Data source: 2021-2022 Pennsylvania State Grant Program, Year by Year and Institutional Statistics Report, Table 1. Inflation-adjusted grant figures from U.S. Bureau of Labor Statistics CPI Inflation Calculator.

What is the impact of the decline of spending power on students? It means that the average low-income student today must now come up with more than \$4,600 additional over four years to replace the grant value lost since 2007-2008. Increasing families' purchasing power back to that of 2007-2008 and including language giving the grant a year-over-year increase to, at a minimum, match the year-over-year inflation would allow students to better plan and allow them to take out less loans to pay for their educational costs.

Here is why this is crucial to saving students money—

- ✓ PHEAA grant recipients often graduate faster and at a higher rate than non-PHEAA funded students. Students receiving PHEAA grants and attending independent nonprofit AICUP colleges have the highest graduation rate of all sectors--69%--which makes it even more imperative that these students have the resources needed to get to the finish line.
- ✓ PHEAA grant-receiving students also graduate with an average of almost \$10,000 less in debt (\$9,248 less, PHEAA 2019). Those are hard numbers, and good numbers—and go directly to significantly reducing Pennsylvania students' high average debt load and college costs.

For both these reasons, increasing Pennsylvania State Grants for students should be the top priority to decrease student costs and lower average student debt.

Second, expand PHEAA's Ready to Succeed Scholarship (RTSS) Program. This program wraps around the State Grant Program for low- and middle-income families with a maximum income up to \$126,000 and was specifically established to address the affordability issue. The maximum award under this program is \$2,500 and a student can receive it for three years beginning in their sophomore year. This program is currently funded at \$26.5M for 2023-2024 and was fully funded for the first time last fiscal year.

You can make the award available to every need-eligible student who is satisfying the academic requirements of his or her institution, not limited—as currently—only to those with the highest GPAs. Currently, a student has to get 3 Bs and one A each and every semester to remain eligible for RTSS which can be very difficult for students who are working outside jobs (to help their families, to pay for their own living expenses, or to contribute to their college funds). It is also unfair to commuting and nontraditional students who have other life responsibilities besides going to college. If the GPA requirement was eliminated from the program (let the standard be that they remain in good standing at their institutions, as it is for most other scholarships and grants), all students (including freshmen) who fall within the income limits would be able to receive up to \$2,500 a year.

Financial aid officers have relayed that students who receive an RTSS scholarship tend to swap out loan dollars with the RTSS funds – this approach saves the student significant dollars over time in both principal and compounding interest.

Increasing support for these two Pennsylvania PHEAA grant programs will increase college access and college affordability for *Pennsylvania students* with the most financial need. It will also directly lower student debt, as the PHEAA debt data indicates. The PA State Grant program and RTSS are programs with proven track records, they are both national models for the efficient distribution of need-based aid and they remain the best mechanisms for getting resources to Pennsylvania students who have demonstrated the financial need and academic progress to merit state support.

Third, encourage all higher education institutions to engage in collaborative approaches that save costs. For more than 30 years, AICUP schools have partnered together to save on college costs. Even though these schools are not part of a “system” they believed that working together to create efficiencies was the right thing to do, for both their campuses and their students. They have been “in the Market” for their entire existence — competing with publicly funded institutions and against “like” schools in other states. This is one strategy that just makes sense for them—and the proof is in their net tuition stability over time and in their recruitment success, with PA being the second-best net importer of out-of-state students in the country — students and their families choose to come here for four years, and many of them stay forever.

AICUP and its schools have established many collaborative cost saving programs over its history — AICUP currently sponsors almost 30 of these programs — programs that reduce administrative, instructional, and overhead costs. These savings are passed on to their students in the form of stable net tuition (what families actually pay) over the last 10 years—a cost that has increased by only 0.4% during that time. Some of these collaborative cost-saving programs include:

1. **Cyber-Security** – AICUP serves as the fiduciary for over 30 schools to employ cyber security experts, eliminating the need for a dedicated person on their campus. This ensures they are getting the most up-to-date advice and oversight of their technological systems and data without the expense of an FTE along with benefit and insurance costs.
2. **Energy Procurement** – Currently 32 AICUP Members take advantage of the expertise and stability of joining this consortium whose consultants ensure reliable energy services, stable pricing, and expertise in niche programs such as environmentally and green friendly approaches in a constantly fluctuating, deregulated marketplace.

3. **Bond Financing** – Over 45 of our member colleges have participated in AICUP’s bond market program which assists when schools borrow for major construction projects. Over the last 23 years of this program, \$1.38 billion has been invested in these schools. At the college for which I served as President, this AICUP program saved us almost a million dollars in upfront costs and several millions of dollars over the long term with reduced interest rates that we would not have realized without this program.
4. **Software Licensing** – Almost all of AICUP’s member colleges participate in our *software consortium* which allows for purchasing Microsoft, Adobe and VMware software licenses through aggregated contracts which saves schools about a quarter of the cost if purchased alone.
5. **Aggregate Group Purchasing** – More than 80 of our members participate in our *aggregated group purchasing program* with an annual total volume growing well past \$177 million per year and savings that vary across purchases.
6. **Purchasing Card** – Thirty-nine (39) of our members participate in an AICUP *purchasing card program* which offers an off-the-top savings for each purchase made by a campus using the card.
7. **Benefits/Employer Health Insurance** – There are 40 of our colleges that voluntarily work together through four regional and one interstate collaboratives that stabilize and reduce employer health insurance expenses beyond what would be achievable by a single campus.
8. **Multiple Employer Retirement Program (MEP)** – Established in 2020, AICUP has been working with industry-leading consultants to develop a new 403(b) MEP leveraging the volume of retirement assets to improve the employer expense with ERISA compliance and reducing the employee expense of saving for retirement. This program saves campuses real dollars on the costs of administrative retirement programs for their employees.
9. **Student Textbooks** – In a relatively new program launched before the pandemic, AICUP member students have access to an “eTextbook” program that converts an annual \$500-\$700 purchase of physical textbooks into an annual rental for as low as \$120 per student per year for unlimited access to the entire catalog of the nation’s largest academic textbook publisher.
10. **Workers Compensation Insurance** – Seventeen (17) AICUP members have joined together to participate in a self-insured program that lowers workers compensation costs year over year. Managed by a 9-person Board, this organization shares and develops best practices for campus safety, saving campuses untold dollars.

Ongoing efforts to find new savings--AICUP currently works with about 90 corporate “affiliates” who help to develop additional efficiency programs in areas such as retirement aggregation, new cyber security offerings, construction and health care efficiencies and numerous other services which are needed by nonprofit colleges and universities. This is in addition to the almost 30 cost-saving

programs currently in operation. Each has been vetted and approved by our leadership (in areas of Finance/Treasury Services, Facilities/Administration, Technology/Telecommunications, HR/Compliance and Student Services). AICUP also engages its membership in 11 staff-driven activities that support leadership communications and joint research studies. To learn more about these programs, see [AICUP's 2023-24 Edition of its Business Efficiency manual](#) for further details.

Fourth, encourage collaboration between sectors and courses adding credentialing to four-year programs which also saves students time and money — more than 70 AICUP colleges and universities have partnered with one or more Pennsylvania community colleges to develop transfer and articulation agreements. These agreements help numerous community college students to enroll in and complete bachelor's degree programs that open doors to well-paying career opportunities. Just as important, these agreements help community college students save money by including scholarships and grants from AICUP schools. Here are just three community college transfer programs in place at AICUP institutions:

- ✓ The **Drexel University Promise program** provides a renewable 50 percent tuition discount to students transferring with an associate's degree from a Pennsylvania community college. The award can be combined with other federal and state student financial aid.
- ✓ **Robert Morris University (RMU) operates a Transfer Success Center** that provides a one-stop shop for transfer students from Pennsylvania community colleges to access academic advising and financial aid services. The new RMU Gateway program allows students from four western PA community colleges to take up to 12 credits at RMU at the same time they work on an associate degree from their college. These students also have the option of living on the RMU campus with full access to campus facilities and services.
- ✓ **Seton Hill University's transfer program with Westmoreland County Community College** allows students working toward an RN degree at Westmoreland to seamlessly transfer into an RN-BSN program at Seton Hill. The program helps fill a nursing workforce gap in western PA hospitals and nursing facilities.

A number of well-paying jobs in Pennsylvania do not require a 4-year college degree. As part of their workforce development mission, many AICUP colleges and universities offer a wide range of high-quality, short-term, non-degree credentials that can be completed in less time and at a lower cost than traditional associate or bachelor's degrees. These credentials provide Pennsylvania residents with the skills and knowledge needed to advance in a current job or find employment in a new industry or occupation. AICUP colleges and universities offer over 75 short-term certificate programs in occupational fields that include agriculture, computer science, dental tech, health administration, culinary arts, criminal justice, and social services. Many AICUP institutions also offer no-cost or low-cost microcredentials, digital badges, or industry certifications through both in-classroom and online instruction. A sampling of these awards is shown here:

- ✓ **Allegheny College** - Stackable micro-credentials in software and computer programming.
<https://sites.allegheny.edu/alic/>
- ✓ **Carnegie Mellon University** - Micro-certifications to train robotic technicians.
<https://www.cmu.edu/roboticsacademy/Research/SMART/index.html>

- ✓ **Drexel University** - Dornstrife Center for Neighborhood Partnerships. <https://drexel.edu/dornsifecenter/programs/beachell-family-learning-center/workforce-development/>
 - Workforce Development - The Child Development Associate Credential™ (CDA), Building an Understanding of Lab Basics (BULB) virtual lab skills training program, Microsoft Office Specialist and Salesforce Administrator credentialing training, COMPTIA training program
- ✓ **Duquesne University** - Certificates and micro-credentials in areas such as business administration and health care. <https://www.duq.edu/academics/explore-all-programs/special-programs.php>
- ✓ **Elizabethtown College** - Over 300 online certificates and micro-credentials through Etown Edge program. <https://edge.etown.edu/>
- ✓ **Peirce College** - Stackable credentials and industry certifications in information technology and project management. <https://www.peirce.edu/degrees-programs/stackable-credentials>

Fifth, invest in programs that allow students to obtain college credits while in high school, particularly through dual enrollment. Investing in programs that allow students to accumulate college credits prior to high school graduation also allows them to reduce the number of credits they need when they matriculate to post-secondary institutions which -- in turn -- reduces their college costs and need to incur debt. The flagship of these programs -- dual enrollment -- sometimes called concurrent enrollment, combats future student costs and debt by allowing a student in high school to obtain college credits prior to graduation (some up to an Associate's Degree).

During the 2021–2022 academic year, AICUP colleges and universities enrolled about 11,000 Pennsylvania high school students in dual enrollment programs. These AICUP dual enrollment students come from 102 private high schools and 289 public high schools in 276 separate public school districts. Almost all the AICUP schools offer a significant tuition discount to high school students allowing the students to earn college credits at an overall savings of well over \$23 million a year (based on the dual enrollment discount from normal tuition cost from 54 AICUP school respondents). Once the student enters college, the savings multiply as the student foregoes degree requirements thanks to much less expensive credits already in their transcript “bank.” We quintupled our dual enrollment numbers in my first two years as a college President — we thought it was both good public policy and an inducement to enrollment.

Currently, many high schools and higher education institutions participate in these programs, but the cost is borne jointly by the student's family, high school, and the college offering the courses and credits. Reinvesting in dual enrollment programs would help greatly to reduce college costs; At its peak, the currently de-funded state-sponsored Dual Enrollment program had \$10 million in General Fund dollars. Reinstating funding for dual enrollment programs would give more students the opportunity to take part in this type of program, allowing them to acquire college credits prior to high school graduation and therefore allowing them to reduce their college costs significantly. And any such program should include independent nonprofit AICUP schools, who are one of the largest providers of such credits in the Commonwealth.

Sixth, eliminate or reduce legislative, regulatory, bureaucratic, and unfunded program requirements placed on institutions. Reviewing current requirements on schools and financial aid programs could

help to modernize higher education operations. During Covid, many regulations and laws were waived or given exceptions which greatly increased schools ability to provide services for their students. Two good examples include expanding access to telehealth services and permitting access to cross-state mental health services.

Another area that drives administrative costs is the increased reporting of data to multiple federal, state and rating entities. These schools already report hundreds of categories of data under current federal and state laws and regulations. We should work to eliminate redundancy and refrain from imposing even more reporting requirements. Most AICUP schools may have one or less full-time staff that handle all of this reporting, as well as the normal internal data required just to operate an institution. Adding additional staff to handle additional reporting or new data intensive programs inevitably increases costs.

Seventh, invest in colleges' financial literacy efforts aimed at both their students and parents, but especially at their students. 45% of all low-income students enrolled at a four-year college or university in Pennsylvania are attending an AICUP institution. While our colleges and universities are committed to making college affordable for Pennsylvania families, the reality is that many college students may need to take out loans to help finance some part of their undergraduate education. For young people just out of high school, the idea of taking on even a small amount of financial debt can be frightening and confusing.

In answer to these concerns, AICUP institutions have developed a variety of initiatives focused on helping students to understand and manage existing student loan debt and to limit the amount of future student debt. For example, some AICUP schools require every freshman student to enroll in a financial literacy course while other AICUP institutions have mandatory workshops on budgeting, borrowing, and loan repayment designed for undergraduates who have taken out student loans. At one school, every student is required to take a financial literacy credit upon entering the institution. In a lecture delivered by their President, who has put three daughters through college, students are reminded that student loans are not for pizza and travel, they are for tuition, books, room and board, etc. They are taught the difference between loans and grants.

Many of our schools offer financial wellness programs – with names such as HawkSense, LAFinancial, and CommonCents – where students have the opportunity to learn about personal finance and debt management before they graduate and enter the workforce.

An increasing number of AICUP institutions are even helping students to manage student loan debt after they graduate, through initiatives such as the loan buyback program at one school and Income Share Agreements offered now at some AICUP schools, and income-based loan repayment plans by the federal government.

There are numerous existing US Department of Education and other federal programs designed to increase financial literacy. I encourage you to review them, so we don't duplicate what is already out there, and don't replicate programs which are clearly not working. And the reality is that we should be teaching some level of financial literacy long before they are making college decisions.

Eighth and finally, include independent nonprofit colleges in any proposals to address student affordability, whether it is Promise/free college, dual enrollment, teacher subsidies or any other initiative. Let me suggest four reasons why their inclusion is imperative.

- ✓ AICUP schools educate 45% of all need-eligible students in the state. They also graduate 40% of teachers, 49% of adult students, 54% of minority students, and 67% of nurses in Pennsylvania. If you don't include these schools, you are excluding all these students--in effect penalizing them. Don't exclude them.
- ✓ AICUP schools have the highest graduation rates of all sectors for all students, PHEAA students, and minority students. This avoids those extra fifth and six years (in which no federal or state aid applies) which avoids loans and keeps overall student costs and debt lower.
- ✓ AICUP schools have the lowest default rates, by far, of all sectors on their student loans. That is because they are getting jobs that enable them to repay their loans. The default rates for AICUP schools in PA are almost 30% lower than the national average and 22% lower than for publicly funded institutions.
- ✓ AICUP schools' net tuition is competitive with publicly funded institutions in Pennsylvania and nationally. That is the case even though they receive only about 9% of all the dollars PA commits to higher education--while serving 52% of all PA's Bachelor's and higher degree-seeking students.

The independent nonprofit sector in Pennsylvania educates:

- ✓ ***52% of all degree seeking students***
- ✓ ***54% of all minority students seeking Bachelor's and higher degrees***
- ✓ ***49% of all working age adult students (25-64)***
- ✓ ***45% of STEM degree students***
- ✓ ***45% of all Pell eligible students***
- ✓ ***44% of all PHEAA State Grant recipients***

These students have earned the right to be part of any legislative solution to address student affordability and debt. It would be wrong to exclude them.

Finally, just a few words on the *value* of a college degree, which has come under a lot of criticism in the last two decades. We live in an age where our trust in just about everything has gone down—partly a casualty of our 24/7 news cycle. Although higher education is still among the most admired sectors in America, right up there with churches, small business owners and the military—the trust level in all these institutions has declined in the last two decades.

At the end of the day, post-secondary education is still one of the best investments we can make in our lifetimes. Ben Franklin couldn't have known how accurate he was when he wrote 250 years ago that "investment in education pays the best dividends." According to repeated analyses by economists at the Federal Reserve Bank of New York, a four-year degree generates an annual return of 14% over a 40-year career—*annual* return. A college degree will show a rate of return more than twice the rate than if you just put your college money into Dow futures 4 years ago, and 5 times the return for bonds, gold or real estate. If college were a stock, it would be the darling of Wall Street.

A March 2019 report from the United States House Committee on Education and Labor, *Don't Stop Believin': The Value of a College Degree*, found that a college degree is well worth its cost, noting that a wide range of studies have concluded that bachelor's degree holders earn up to \$1 million more than high school graduates during their work lives. In other words, unlike *consumer* loans for cars and appliances, *student* loans can be an investment in one's quality of life (and life choices) and produce a large monetary return on investment as well. Bottom line, college grads are 3 and a half times as likely to improve their income and one's "position in life" as those who don't get the chance to go to college. They are a direct way to affect social and economic mobility.

We all know that the benefits of a college degree extend beyond just wages--the Pew Research Center has reported that college graduates outperform their peers with less education on virtually every measure of economic well-being and career attainment. College grads volunteer twice as often for local causes, donate three and a half times as much to local charities, and are twice as likely to build a small business in their hometown.

My family knows the value of a college degree in a personal way. Our grandparents landed on these shores with the equivalent of grade school educations and their 13 grandchildren share 19 degrees between them. Only in America.

Thank you for your attention and if I can answer any questions, I will be happy to do so.