

Senate Education Committee
Hearing on Grow PA Higher Education Proposal
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Thank you to the committee for investigating proposals to further higher education and fulfill the workforce needs of the Commonwealth. The Association of Independent Colleges and Universities of Pennsylvania (AICUP) is composed of almost 90 independent nonprofit colleges and universities from all across our state.

These schools serve a little over half of all 4-year degree seeking students in Pennsylvania, contribute annually -- \$24B in GNP to the Pennsylvania economy, graduate 79,000 students and supply 44,000 new workers to this state each year; they are embedded in 60 towns and regions across the commonwealth for an average of 138 years. They are educators, employers, workforce suppliers, philanthropic drivers and community builders.

As we look to further transform higher education it is imperative that we recognize Pennsylvania's unique Higher Education Landscape which spans both public and independent institutions who offer everything from certificates through doctoral degrees.

Pennsylvania is widely recognized as a national leader in higher ed. PA ranks among the top states (14th) in total taxpayer funds going to public higher education institutions (\$1.3 billion in FY2022). Pennsylvania also ranks 8th among states in total amount of need-based grant aid provided to all undergrad students (\$335M) and 13th among states in need-based aid per FTE undergrad student (\$767). PA ranks 2nd in net imported students. The 4-year graduation rates from public institutions in PA is higher than in 29 other states. The 6-year graduation rate when including both public and independent, nonprofit schools ranks 6th in the country.

The AICUP institutions alone enroll 275,000 students—fully 52% of all four-year degree seeking students in the Commonwealth and 44% of all post-secondary (2-year, 4-year and graduate) students. An independent study confirms that their \$24B annual PA GNP contribution translates into \$1 of every \$30 in our economy and 1 of every 32 jobs in our state. In ROI terms, these schools return \$148 to the Pennsylvania economy for every \$1 they receive in state taxpayer funds. They support and sustain over 195,000 commonwealth jobs, their students and families spend an additional \$3.4B in local communities each year and they and their employees pay \$1.1B in state and local taxes. They receive only 9% of the state funds designated for higher education—almost all of it in PHEAA funds that are brought by lower income students who choose to attend these schools.

Most importantly, with an average age of 138 years, they buttress 60 communities across 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 the 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 fortunate in this state to have such a vast and high-quality network of both independent nonprofit and publicly funded colleges and universities.

Thank you for the opportunity to address this committee on working to align higher education with the workforce demands and needs of the Commonwealth. Tackling this issue will require all higher education sectors – both public and independent – to participate and play a role. There is not a one-size-fits-all approach and I would submit several areas for your consideration as you look to further develop legislation for Grow PA.

Addressing the declining number of students graduating from our high schools – the decline of pure northeast numbers of graduating seniors has been well documented and continues to further decrease. In order to look to increase pure population several areas could be considered:

1. Low-Income Students

- a. **PHEAA PA State Grant funds** can provide an opportunity for low-income students that they would not otherwise have to attend a post-secondary school. Although we are currently at the highest award amount of the grant, 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 in 2007-08 due to lower state revenues. Consequently, low- and moderate-income Pennsylvania students have lost significant purchasing power over the last decade as the chart below shows.

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.

- b. **PHEAA 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 (as is the rule for existing Pell and PHEAA grants), not limited—as currently—only to those with the highest GPAs. Including all students (including freshmen) who fall within the income limits would allow them 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.

- 2. **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.

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.”

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.

3. **Out-of-State students**

- a. **Bringing Students into Pennsylvania** -- Pennsylvania is currently the number two net importer of these students, with AICUP schools bringing in about 25,000 new students into the state each year and

keeping about 1 in 6 after graduation to work and contribute to the PA economy. Any policies to further incentive other state's students to come to PA should be prioritized.

- b. **Keeping Students in Pennsylvania** – As the number two net importer of students, it is important to consider why they are choosing to move to PA for their education, but subsequently leave post-graduation for jobs in other states. Although challenging, developing policies that entice them to stay could significantly increase our workforce annually.

4. Non-Traditional Students

- a. **Eliminating Barriers to Higher Education** – This pertains to a range of students with various barriers including parental needs and other issues. AICUP schools serve 49% of the adult-age four-year degree seekers. The need for different and additional **student support services along with instruction** also continues to increase the costs for students and universities. 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 and 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 overall well-being (medical care, etc.), entertainment, transportation, etc. Most of these expected services apply to both full-time residents and part-time or commuting students.

5. Promoting cross-institutional and sector collaborations

- a. **Articulation Agreements** -- More than 70 AICUP colleges and universities have partnered with one or more Pennsylvania community colleges to develop transfer and articulation agreements. The 300+ such agreements currently in place 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.
- b. **Credentialing** -- 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 micro credentials, 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/alice/>
 - ✓ **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/> 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>
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As the robust conversation and policy development continues throughout the spring and early summer -- include independent nonprofit colleges in any proposals to address student affordability and workforce needs; here are four reasons why their inclusion is imperative.

- ✓ AICUP schools educate 47% of all need-eligible students in the state. They also graduate 45% of teacher certification candidates, 49% of adult students, 54% of minority students, and 69% 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/fees is competitive with publicly funded institutions in Pennsylvania and nationally and is lower now than it was in 2012. 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 BA and higher degrees***
- ✓ ***49% of all working-age adult students (25-64)***
- ✓ ***55% of STEM degree students***
- ✓ ***47% of all Pell eligible students***
- ✓ ***46% 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 3 and a half times as much to local charities, and are twice as likely to build a small business in their hometown.

Once again thank you for continuing to investigate and propose legislation that seeks to address the needs of higher education and Pennsylvania's workforce needs – we look forward to working with you on these issues.