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**Testimony
Presented to the House Appropriations Committee
FY 2023-24 Community Colleges Budget Request**

By

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Thank you for this opportunity to provide testimony to the House Appropriations Committee regarding the community colleges FY 2023-24 budget request. We appreciate the support of the Chair and Members of the Appropriations Committee and your interest in the vital role of community colleges in the Commonwealth's education and workforce development systems.

The programs and services provided by Pennsylvania's 15 community colleges enroll over 230,000 students across all 67 Pennsylvania counties, making community colleges the largest provider of undergraduate public postsecondary education in the Commonwealth. The academic, workforce and noncredit programs offered by the colleges create life-changing opportunities for students and contribute to the Commonwealth's economic growth and global competitiveness.

Community college students come from diverse and unique backgrounds, reflected in the fact that 42% of enrolled students are from minority or other underrepresented segments of the population. Collectively, Pennsylvania community colleges serve more low-income and more first-in-their-family postsecondary students than any other sector of higher education. Nearly half of community college students in the Commonwealth come from low or very low-income families.

There are other ways in which community college students are distinct from students enrolled in other postsecondary education sectors. Seventy percent of credit students attend school part-time, with many of them reporting that they must do so because of caretaking responsibilities or needing to work while in school. Additionally, for all our students, state and federal financial support is critical. Over half

of all credit students receive financial aid, including the 15,788 students who received a PHEAA state-grant in 2021-22, totaling \$20.7 million in state-grant support – significantly less than students in other higher education sectors. Further, over a third of all students – and roughly half of full-time, first-time students - receive a Pell Grant.

Pennsylvania’s community colleges offer a range of credit and non-credit workforce development programs. Almost 60% of community college students are enrolled in one of the more than 1,400 credit programs offered by the colleges in the current academic year. Approximately 40% of these programs are in the STEM-H fields, and over 75% align with High Priority Occupations (HPOs) as identified by the Pennsylvania Department of Labor & Industry including nurses and other allied health professionals, computer technicians, web developers and early childhood workers. In 2021, nearly 28,000 of these students transferred to another institution to continue their postsecondary study. Approximately 80% of those students transferred to another Pennsylvania institution, where they complete a degree at rates higher than, or comparable to, the institution’s four-year students.

Pennsylvania’s community colleges also specialize in workforce development and employee training. In 2021-22, community colleges partnered with over 2,170 companies across the Commonwealth to provide \$9.4 million in contracted training to more than 87,000 Pennsylvania workers. Through their workforce development programs, community colleges educate the Commonwealth’s first-responders and emergency services workforce – including firefighters, EMS and police – and they provide skills training for other in-demand occupations such as truck drivers, nursing assistants, machinists and mechanics.

Students who attend community college also tend to stay in the Commonwealth upon completion of their postsecondary credential. The impact of community college alumni is evident in the fields in which they are employed, in their local communities and across the Commonwealth. Community colleges and their students and alumni add billions of dollars to the Commonwealth’s economy, and reduce the demand on government-funded services, saving taxpayers millions annually. Local and regional economic impact studies prove that taxpayers are receiving a positive return on investment for every dollar that supports community colleges.

Community colleges are committed to ensuring that Pennsylvanians continue to have access to affordable, high-quality postsecondary education and workforce training aligned with local and statewide industry needs. Pennsylvania must continue – and expand – support for its community colleges to ensure:

- that high-quality, affordable, accessible postsecondary opportunities are available to all Pennsylvanians;
- that education and training is matched with employer needs;
- that educational attainment in the Commonwealth reaches higher levels; and
- that Pennsylvania strengthens its workforce for economic growth and competitiveness

The Commission offers the following recommendations for the Committee’s consideration:

 **Increase the community college operating appropriation**

For FY 2023-24, the colleges requested a 25%, or \$64.1 million, increase in the community college operating appropriation for the Commonwealth’s 15 community colleges.

This requested increase will provide funding that will allow community colleges to continue offering affordable, high-quality postsecondary education and workforce training aligned with local and statewide industry needs – particularly in technical fields that require hands-on, intensive instruction with industry-standard materials and equipment.

These programs are costly and difficult to develop and maintain without appropriate public investment. If the Commonwealth wants to increase its postsecondary education attainment rate and create a highly skilled workforce to support business and industry, it must invest in the most effective providers of that education and training – its community colleges.

 **Increase the community college capital appropriation**

For FY 2023-24, the colleges requested a 15%, or \$8 million, increase in the Transfer to the Community College Capital Fund appropriation to provide for one-half of the cost of approved capital projects. An increase in the capital line item is essential to ensure that every community college has financial support for capital needs.

Capital improvements and the funds that support them are critical for the community colleges to continue to meet the Commonwealth’s education and training needs. Projects completed with these funds increase economic activity at the local level and provide the colleges with the resources needed to modernize their facilities as part of their efforts to meet education and workforce needs of the Commonwealth.

In FY 2022-23, only seven of the 15 community colleges received new capital funding.

 **Fund efforts to strengthen Pennsylvania’s healthcare workforce**

Pennsylvania is facing an acute crisis and shortage in the number of healthcare workers to provide care in our hospital systems, long-term care facilities, rehabilitation centers and physician and dental offices.

Pennsylvania is projected to have a deficit of over 277,000 healthcare workers such as medical assistants, home health aides and nursing assistants by 2026. The state is also projected to have a

deficit of 20,300 registered nurses; the largest projected gap of registered nurses in the country.

As the Commonwealth seeks to address this crisis, the Commission recommends that policymakers leverage and utilize Pennsylvania's community colleges. Community colleges have the experience, expertise, programs and facilities that can increase the supply of nurses and allied health professionals to address this significant workforce challenge.

Pennsylvania's community colleges educate more healthcare professionals at the undergraduate level than any other sector of public higher education in Pennsylvania, and awarded over 4,500 healthcare credentials in 2020-21 alone. Nurses who complete a nursing program at a community college are highly trained, highly skilled, and graduate incredibly well-prepared to take the NCLEX – the nursing certification exam. Community college graduates have passed the NCLEX at a rate exceeding the national average for the last six years in a row.

With appropriate state investment, community colleges can immediately expand and scale healthcare program offerings to help fill the Commonwealth's workforce gaps. Additionally, the Commonwealth should provide financial assistance to ensure that cost is not a barrier to enroll in these important programs. The Commission recommends:

- \$35 million in scholarship assistance for individuals seeking a credential in a healthcare field at a Pennsylvania community college.

Cost is still a barrier for too many Pennsylvanians, including students entering postsecondary study for the first time, those looking to change careers and those already in healthcare fields seeking to upskill. Particularly for direct care workers who are living at or near the poverty level, there are often no resources to pursue additional education.

Supporting students who are committed to advancing their education through scholarships for tuition, fees and supplies will increase the number of individuals seeking a healthcare credential in the state.

To further increase the number of Pennsylvanians who seek a healthcare credential, to make attainment more affordable and to reduce the time-to-degree, the Commission also recommends:

- \$10 million to support career exploration activities in collaboration with secondary education to provide students with early opportunities to explore careers in high-demand healthcare fields.
- \$15 million for a new dual enrollment program to specifically incentivize enrollment in dual-credit offerings aligned with healthcare workforce needs.

 **Provide regulatory and statutory relief to community colleges**

The Community College Act and related statutes and regulations governing community colleges are imposing unnecessary costs and hampering innovation and must be updated to allow community colleges to serve Pennsylvania effectively and efficiently. This includes providing flexibility in program design, program offerings, and eliminating outdated and unnecessary bureaucratic requirements.

Adoption of these suggested changes will allow community colleges to operate more effectively and efficiently, increase the affordability of a postsecondary credential, and save taxpayer dollars.

The Commission hopes that the General Assembly will recognize the importance of supporting Pennsylvania's largest provider of undergraduate public postsecondary education by considering these recommendations for inclusion in the Commonwealth's FY 2023-24 budget.

An investment in community colleges is an investment in Pennsylvania's long-term economic vitality and strength.

We look forward to working with the Chair and Members of the Committee to make these budget recommendations a reality.

Thank you.