

TUITION RELIEF ACT HEARING
TESTIMONY OF DR. ANNA D. WEITZ
PRESIDENT, READING AREA COMMUNITY COLLEGE
APRIL 23, 2009

Thank you for the opportunity to speak on behalf of the proposed Tuition Relief Act that will provide needed financial assistance to those high school graduates seeking to continue their education at one of the Commonwealth's 28 public colleges or universities. Given the challenging economic environment it is very timely for the General Assembly to make the issues of access and affordability to higher education priority concerns.

The National Center for Public Policy and Higher Education recently called on leaders across the spectrum from policymakers to college presidents to "preserve undergraduate access and affordability." The Center's statement was addressing the use by states of federal stimulus dollars under the American Reinvestment and Recovery Act (ARRA), but it can certainly be applied more broadly. As part of this statement entitled, *The Challenge to States: Preserving College Access and Affordability in a Time of Crisis*, policymakers were urged to:

- Establish undergraduate access and affordability as the highest priority for state higher education policy and support.
- Protect access by accommodating all eligible students seeking to enroll at two- and four-year public institutions and prohibit practices that discourage college participation by at-risk students
- Preserve the educational safety net by prioritizing affordable tuition at broad access institutions serving students from low-and middle-income families.

The principles above should guide the discussions and negotiations as the General Assembly debates this year's state budget, with the most indispensable of these being "access and affordability as the highest priority." The proposed tuition relief program recognizes the reality of many students' financial circumstances. It will help stretch the state's investment by limiting the program to those attending one of the public sectors of higher education in the Commonwealth - either a community college or one of the state system universities.

Affordability is clearly a critical factor in **maximizing access** to higher education. *Measuring Up 2008, The National Report Card on Higher Education* notes that students and their families in the very lowest as well as lower-middle income groups on average have to devote up to 44% of their annual income to attend community colleges even after receiving financial aid. And existing aid programs still are not sufficient when one considers that at the Commonwealth's 14 Community Colleges:

- 47.5% of full-time students receive no financial aid
- 65% of part-time students receive no financial aid
- 12,640 students were dropped for non-payment in the fall 2009 semester

Even when state financial aid is considered, Pennsylvania's community college students currently receive only 4.4% of the total value of all Pennsylvania Higher Education Assistance Agency (PHEAA) grants distributed, with an average award of \$1,566. In sum, the total value of the grants to community college students equals less than \$19 million – far less than the \$91.5 million to the PASSHE universities, \$119.2 million to the state relateds, and the \$159.7 million to the private colleges and universities.

With an overall grade of “F” in affordability as reported in *Measuring Up 2008*, Pennsylvania clearly needs new public policies related to financing access to higher education if we intend to invest in the workforce preparation our young residents require.

Nowhere is there a greater need to make that investment than with the growing minority population of the Commonwealth. Berks County, the Greater Reading area and my own institution, Reading Area Community College (RACC), can serve to illustrate these points.

- According to the US Department of Education, in 1987 in Berks County, Hispanic students accounted for 7% of all those enrolled in public schools and 29% in the Reading School District. In 2006, the percentage of Hispanic students in all of Berks County's public schools increased to 23% and within the Reading School District it rose to 73%.
- According to the most recent data from the National Community College Benchmark Project, in fall 2006, Reading Area Community had the second highest percentage of

minority students and the largest percentage of Hispanic Students of the 14 community colleges in the Commonwealth of Pennsylvania.

- Over the five year period from fall 2004 to fall 2008, RACC's headcount has increased 20%.
- The RACC minority student population has increased from 30% to 39% of the student population as of fall 2008.
- The percentage of Hispanics enrolled at RACC has increased from 12% to 18% of the student population as of fall 2008.

A 2007 Lumina Foundation study, *The Road to College (Camino A La Universidad)*, prepared by Dr. Raymond Padilla of the University of Texas at San Antonio reports that "... Latino students are much more likely than white students to grow up with more than one poverty-related disadvantage." The report also cites the results from a separate study done for the Gates Millennium Scholars that found "...long-term financial support for {students} extends opportunity, allows students to focus on college goals, and ensures success against the odds typical for the majority of college-bound low-income students." This is the kind of assistance that would be provided by Pennsylvania's proposed Tuition Relief Act.

Even with our comparatively moderate cost (approximately \$1,750 for tuition and fees for a full-time student per semester), attending RACC is beyond the reach of some and a true financial stretch for many more. For example, at my community college we see increasing numbers of students relying on loans to finance their first two years of college. At RACC in the academic year 2000 – 2001, we disbursed approximately \$1.9 million in loans to 616 students. In this academic year (2008 – 2009), those numbers are approximately \$10 million in loans to 2,015 students. Certainly RACC's enrollment has grown as mentioned above, but the increase in the dollar value of loans and the number of students receiving them far outpaces the rate of enrollment growth. These figures from just my community college are indicative of the need for more grant funding to avoid increasing numbers of our students leaving college burdened with large debt.

While it is not possible for each public higher education institution to fully predict the impact of the Tuition Relief Act, some modeling is possible and useful. With that in mind, RACC did an analysis of our current student population to determine the percentage of those enrolling in the fall immediately after their graduation from high school. The number of these recent high school graduates entering RACC is steadily increasing. In fall 2006, this group accounted for 12% of RACC's total credit enrollment. In just 3 years, as of fall 2008, this group made up 15% of the College's total enrollment. Our Admissions Office projects the percentage of applicants from this demographic group will continue to grow, estimating that it will increase significantly this fall given the current economic climate.

RACC's Financial Aid Office ran an analysis based on 2008 high school graduates currently enrolled to determine how many would have been eligible for assistance from the Tuition Relief Act if this aid program had been in place as of August 2008. This analysis indicated that about 1/3 of these currently enrolled RACC students who just graduated from high school would have been eligible for some assistance because their family income was under \$100,000, they are classified as dependents of their parents or guardians, and they have documented unmet financial need. While those in this group were already enrolled at RACC, meaning they had found ways to pay at least initially for college, this analysis provided some basis for projecting the positive impact this program will have on those currently in high school and hoping to attend college.

Given the substantially lower costs of Pennsylvania's community colleges and state universities in comparison to private or state related institutions, individual Tuition Relief Act awards to students attending public institutions would cover a higher percentage of their total cost of attendance.

Historically Pennsylvania has allocated higher education funding in a manner that has been described as "everyone gets a slice of the pie." If that philosophy continues, no one will be well served. The proposed Tuition Relief Act seeks to break this pattern and provide an increase in funding where it can serve the maximum number of students.