

**March 25, 2014**  
**Outline of Testimony**  
**House Majority Policy Committee**  
**Expanding Access to College and Keeping Student Debt Low**

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**Statewide Overview on Access<sup>1</sup>**

- 17% of all credits earned through distance education
- Over 60,000 students took at least one class online
- \$3,454 average annual full-time tuition and fees (2013-14)
  - 64% less than average PASSHE
- Average rise in tuition from 2011-12 to 2012-13: \$198
  - PASSHE Average: \$354
- \$549 million in financial aid awarded (2012-13)
  - 50% of students receive financial aid
- 31,315 PHEAA PA State Grant recipients (2012-13)
  - 9,258 students (13.8% of recipients) benefitted from state grant application extension in its first two years (over \$7.4 million in awards)
- 74,648 Pell grant recipients (2012-13)
- FY 13-14 Commonwealth spending per student: \$1,758
  - \$290 less than historical high (FY 08-09: \$2,048)

**Student Indebtedness<sup>2</sup>**

- Regardless of the type of credential earned, the borrowing rate for graduates increased steadily over the last decade.
  - In 2003-04, 36.4% of associate degree completers and 53.4% of certificate completers borrowed, by 2011-12, those figures were 49.8% and 66.3%.

- In 2003-04, the average debt level for associate degree completers was \$12,131, for certificate completers it was \$9,002. By 2012, these figures had risen to \$17,158 and \$13,280, respectively.
- 42% of students earning an associate degree at a public college borrow. This is less than half the rate of students seeking similar degrees at private for-profit colleges, where [88.3%] of students graduate with debt.”
- The median debt level for community college students is \$0, meaning that it remains an affordable option for most students.
- Efforts to reduce or check growth in debt [among bachelor’s degree recipients] should cast a broader focus on borrowing than similar efforts for associate degree or certificate completers.

## **Value of a Credential**

- The students enrolled in community colleges during 2012 will add \$1.1 trillion in earnings to the U.S. economy over their lifetimes.<sup>3</sup>
- In 2012, U.S. taxpayers at all levels (local, state, federal) collectively spent \$44.9 billion on community colleges. They will receive \$1.2 trillion back over the lifetimes of the students enrolled at this time.<sup>3</sup>
  - This represents \$6.80 back to taxpayers for every \$1 of investment in community colleges over the working lifetime of this cohort.<sup>3</sup>
    - Tax receipts at all levels will rise by \$286 billion over the lifetime of this cohort.<sup>3</sup>
    - Governments at all levels will realize \$19 billion in savings on social services over the lifetime of this cohort.<sup>3</sup>
    - If the increased income of the cohort’s workers is factored in, the total benefit to society-at-large is \$25.90 for every tax dollar spent on community colleges.<sup>3</sup>
- Associate degree holders earn an extra \$480,000 (lifetime) over high school graduates.<sup>3</sup>

- For every dollar a community college student invests in their education, they can expect an extra \$4.80 in earnings.<sup>3</sup>
- Average earnings in High Priority Occupations rise dramatically with increased education<sup>4</sup>
  - Jobs requiring Short Term On the Job Training: \$34,400<sup>4</sup>
  - Jobs requiring Some Postsecondary Education: \$42,700<sup>4</sup>
  - Jobs requiring Associate Degree: \$51,100<sup>4</sup>

## Sources

<sup>1</sup> Internal Data

<sup>2</sup> Policy Brief: The Student Debt Review: Analyzing the State of Undergraduate Student Borrowing. Ben Miller for the New America Foundation Education Policy Program. February 2014.

<sup>3</sup> Where Value Meets Values: The Economic Impact of Community Colleges: Analysis of the Economic Impact and Return on Investment of Education. Economic Modeling Specialists Intl. February 2014.

<sup>4</sup> 2013 Statewide High Priority Occupation Survey. Center for Workforce Information and Analysis, PA Department of Labor and Industry.