

TESTIMONY OF Dr. JOE D. FORRESTER, PRESIDENT
OF THE COMMUNITY COLLEGE OF BEAVER COUNTY
BEFORE THE HOUSE REPUBLICAN POLICY COMMITTEE
ON THE TOPIC OF WORKFORCE TRAINING AND DEVELOPMENT
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Please allow me to begin by thanking you for the opportunity to speak before you today on the subject of workforce training and development and the role of community colleges in strengthening the economy of the Commonwealth. My name is Joe Forrester, and for 12 years, I have served as the President of the Community College of Beaver County.

CCBC is one of fourteen public community colleges within Pennsylvania, and collectively, we enroll over 530,000 of your constituents in postsecondary educational programs. This number includes nearly 230,000 Pennsylvanians in credit programs and approximately 186,000 in non-credit and workforce development courses. We also work with some 2,255 Pennsylvania employers to train another 117,000 of their employees through contract training programs custom designed to the needs of local employers. These numbers should clearly indicate that community colleges are actively involved with creating partnerships with business and industry and in providing training for the workforce of the Commonwealth.

Given the collective body of students we serve, community colleges are the largest sector of higher education in the Commonwealth, and over the last several years, our rates of growth have been astounding. Between 2008-2009 and 2010-2011, enrollment in PA's community colleges grew at a rate in excess of 15%, meaning we have added nearly 41,000 students to our numbers in the last three years.

Since 2008-2009, CCBC's credit enrollments have increased by approximately 15%, and we have seen similar growth in non-credit enrollments. In 2010-2011, the College experienced its largest enrollment in its 45 year history with an unduplicated headcount of nearly 4300 students. With another 3150 students participating in non-credit courses, our impact within Beaver County and its surrounding region is significant. At present, we are finalizing enrollment number for 2011-2012, and it appears that we are experiencing the second largest enrollment in the history of the College. In the absence of additional revenue, and now reduced revenue from the Commonwealth, it has been necessary for us to stretch already scarce resources even further to accommodate this level of growth.

Your purpose today is to explore workforce development and activities that can get students and the unemployed into the workforce with the skills and abilities needed by employers. Let me share a few examples from my institution.

We provide a tuition waiver for any individual residing in Beaver County who has been laid-off by an employer. The waiver is provided for one semester and the can be used to support entry

into any of the various programs offered by the College. In the past three years, we have seen the number of students taking advantage of the opportunity more than double reaching a high of 79 students during 2009-2010. We have tracked these students and determined that they remain enrolled in subsequent semesters as they continue to develop new skills reflecting the demands in the workplace.

Prior to Fall, 2011, we offered dual enrollment opportunities in partnership with area high schools. In some cases, courses were actually taught in the high schools to overcome issues relating to compatibility of scheduling and transportation. At its peak, we were enrolling approximately 250 students per semester in dual enrollment courses, and one of our greatest successes in this arena was a student who received his associate degree two weeks prior to receiving his high school diploma. Funding for dual enrollment was eliminated from the state budget for 2011-2012 placing the future of this type of program offering in jeopardy.

In partnership with the Beaver County Career and Technology Center, we have created a separate degree program, the Associate in Applied Technology, that allows qualified graduates from programs offered through the CTC to receive up to twenty-four semester credit hours toward the CCBC degree based on end of program testing results. We provide advanced standing in the College's Multi-skilled Health Technician program for students completing the Nurse Aide program and pass the required state licensure exams, and we utilize facilities at the CTC to deliver programs in Culinary Arts for adult students in the community.

In partnership with the Western Area Career and Technology Center in Washington County, we have also partnered with the Western Area CTC to provide training in Culinary Arts, and because of the demand from the gaming industry for workers in the hospitality industry, we are considering ways to expand this partnership.

We are a Servicemember's Opportunity College, part of a national network of community colleges and universities that award service members and veterans credits toward a degree based on their Military Occupational Specialty.

We offer advanced standing on the basis of standard industry certifications. This is particularly applicable in the area of computer technologies and aviation.

We have partnered with the Meadows Racetrack and Casino in Washington County to deliver dealer training and certification programs for their employees. To date, our joint training activities have involved over 600 individuals seeking employment or advancement within the gaming industry. We are the only community college in Western Pennsylvania to be certified by the Commonwealth as training provider for the gaming industry, and at present, we are having discussions with interested parties at Nemaquin and in Lawrence County as they move forward with plans for additional casino development activities within the region. At present, the training offered has been non-credit and focused on the specifics of dealer training for individual games. We are now working with the gaming industry to develop a credit based certificate in

Casino Operations and an associate degree in Casino Management, and individuals who have completed the dealer training will be eligible to receive advanced standing in the credit programs based on the earlier training. In addition, California University of Pennsylvania and Penn State-Fayette have expressed interest in building bachelors level degree programs that would be fully articulated with our training programs.

We have received federal training grants allowing us to provide training in areas such as broad band technology and global position systems technology. These programs were short-term in nature and the grant revenue enabled us to provide the training free of charge.

We have been an aggressive partner in working with local employers seeking training funds through the state's WEDNet and Customized Job Training Programs. Over the last three years, we have secured grants totaling \$ 774,038 and supporting training of 4,874 employees for 67 companies. However, funding for the WEDNet program has been significantly reduced over the last several years and the level of training being provided continues to decline.

In the face of increasing enrollments and declining state funding, my institution is stretched to the breaking point. I suspect many of our colleague institutions face similar circumstances, and it is becoming increasingly difficult for us to respond to the training needs of our regions. Given the uncertainties surrounding the ability and willingness of the Commonwealth to provide adequate and appropriate funding, my institution is presently evaluating the possibility of having to discontinue selected programs which would result in a reduction in force in 2012-2013. Conversations about the creation of new programs serving emerging training needs within the Commonwealth have been shelved for the moment. From the perspective of preparing my institution to more effectively contribute to the state's economic recovery, neither of these situations represents a desirable condition.

I would like to share with you some of the obstacles and challenges we are facing. While I have briefly referenced a couple of these obstacles already, I want to provide more detail for your consideration.

Operational support from the Commonwealth has eroded significantly.

Until 2005-2006, community colleges were funded through a formula based on Full-Time Equivalent Students. Under the formula, there was incentive for the colleges to expand enrollments and create new programs serving the needs of employers in our region and across the state. We knew that as our enrollments grew, funding would increase to accommodate the growth in enrollment and the costs of initiating new programs. As of 2005-2006, the funding annually as we continued to grow and as funding from the state failed to keep pace with our growth.

For the last three years, the operational funds appropriated by the Commonwealth remained flat. For 2011-2012, the funding was reduced by 10%. During this time, enrollments for my institution reached record levels, and the Commonwealth's proportion of our operating budget has eroded from nearly 33% to approximately 23% in the current fiscal year. From a practical

standpoint, the actual dollars allocated for community college has been reduced to the level of funding provided in 2003-2004.

Although we are no longer funded on the basis of Full Time Equivalent Students, a comparison might be helpful. The 2011-2012 appropriation for community colleges prorated on a per FTE basis takes us back to the level of funding for 1995-1996. Funding erosion of this magnitude does not bode well for the ability of community colleges to increase their level of activity to stimulate the state's economic recovery.

Increases in capital funding from the Commonwealth have been non-existent.

Fiscal year 2011-2012 marks the third consecutive year of no increase in capital funding from the Commonwealth. Although hundreds of millions of dollars have been made available for capital projects in higher education during this time, the capital appropriation for community colleges has remained unchanged. Community colleges have documented the need for over \$800 million in capital projects, and the list of projects continues to grow beyond this projected level. It should be remembered that community college capital projects require a local match, so in providing additional funding for capital projects in community college, there is a leveraging of state dollars providing a "bigger bang for the buck."

My institution was fortunate to secure a funding commitment of \$13 million from the state in 2005-2006, and these funds were leveraged to complete a renovation of the campus costing approximately \$30 million. Still, there were facilities in need of renovation that could not be accommodated in this renovation, and our recently updated facilities master plan projects the need for additional renovations projected to cost in excess of \$22 million.

We cannot be expected to train students on the use of 21st century technologies when the equipment and facilities used for such training is more than 20 years old. The Commonwealth must be willing to make the investment allowing us to upgrade facilities and equipment for programs in health care and manufacturing and advanced technologies. Funds are needed so our campus infrastructures can be modernized, and we need funding to adapt existing facilities for new training demands as the workplace continues to change.

Funding for non-mandated capital has been eliminated.

Prior to 2011-2012, there has been a pool of funds available within the PA Department of Education to provide capital funding to community colleges for one-time, cash projects where the issuance of bonds is not required. The funding pool did not require appropriation of additional funds by the General Assembly since the pool was created and sustained by dollars returned to the state from community college audits. No increase in the appropriation for community colleges was necessary, and the pool was self-sustaining pool. Absent access to other capital funding streams, these funds have been critical. In the case of my institution, we

have been able to secure funding from this pool for activities such as roof repair or replacement, replacement or repair of HVAC units or other types of deferred maintenance projects.

The pool should contain approximately \$5 million with \$2.5 million to have been distributed in 2010-2011 and the remaining \$2.5 million distributed in 2011-2012. During the last fiscal year, community colleges asked repeatedly about when we could anticipate distribution of the available funds, but the distribution never occurred. We are now informed that these monies have been redirected to the state's General Fund and will not be allocated to our institutions as they have been in the past. In other words, the Commonwealth has provided hundreds of millions of dollars for capital projects in higher education over the last three years but has added no new dollars into capital funding for community colleges. In addition, for 2011-2012, \$5 million in funds already made available for community college capital projects has been redirected into the state's General Fund. This action represents an additional reduction in funding beyond the 10% cut in our overall appropriation.

There is a particular, but stinging irony in this latter action. Earlier in September, it was announced that the Commonwealth of Pennsylvania is providing a \$1.5 million grant to Allegany College of Maryland for the development of new building in Somerset County, an area served by Penn Highlands Community College. At the point in time when there has been a reduction in capital funding available to PA's community colleges, capital funding is being made available to an out-of-state institution.

The funding for Allegany College of Maryland sends a curious message for those of us leading Pennsylvania's community colleges. Pennsylvania needs to take care of its own community colleges first, and I would suggest that the \$5 million loss in funding needs to be restored.

The Commonwealth does not provide a separate funding stream for the acquisition of capital equipment or to assist institutions by providing funding to covering program start-up costs.

At present, a capital funding project proposal heavy on equipment acquisition is submitted to the Department of Education and considered on the same basis as a proposal for renovation or for construction. Since eligibility for funding is determined on a points system, equipment heavy projects will never have a real chance of receiving funding from the state.

Let me provide an example. For sake of argument, say my institution needs to upgrade the patient simulators needed for the training of registered nurses, practical nurses and nurse assistants. We need simulators representing both genders and separate simulators for babies and small children. The estimated cost for acquisition of the simulators is approximately \$500,000 and no remodeling of Nursing Labs or modification of other facilities is required. If additional capital funding was provided from the Commonwealth, it would still be highly unlikely this project would qualify since it is for equipment only.

Also, there is no funding stream available to assist in programmatic start-up costs. A college may well be trying to create a new high cost, high demand program to serve the needs of a local employer, but we are currently expected to do so without financial assistance from the Commonwealth. For example, CCBC has been considering the development of a program training nuclear power plant operators in response to industry demand within our region. Renovation of space on campus to provide a training facility and to acquire necessary training equipment could easily cost between \$300,000 and \$500,000. There are also programs, such as natural resource management, that might be beneficial in development of Marcellus Shale, but in a time of reduced resources from the Commonwealth and no funding stream from the state to assist in the start of new programs, we are simply unable to move forward in creating new career and technical programs.

Drastic reductions in the Commonwealth's programs supporting workforce training and development negate efforts to help employers upgrade the skills of their workers.

In 2008-2009, CCBC invoiced the state for WEDNet training funds in the amount of \$452,539. With these funds, we worked with 38 employers in the region to provide training for 2410 employees. In 2010-2011, following reductions in WEDNet funding, we were able to secure \$172,994 in funding enabling us to work with 14 companies and to provide training for 1008 employees. From my perspective, it seems counterproductive to have reduced funds available for worker training at the time of high unemployment, especially if there was the potential for additional training to have saved some of the jobs being lost. If strengthening the workforce training and development is a priority for the Commonwealth, funding to support such efforts must be addressed.

These obstacles and challenges center primarily on the limited resources the Commonwealth provides to assist community colleges in responding to the workforce training needs that exist in the areas we serve. You will find Pennsylvania's community colleges ready, willing and able to accommodate the state's workforce training needs for today and tomorrow if we are given the funding allowing us to develop the infrastructure, modernize and develop appropriate facilities and acquire the required equipment for training.

In addition to these issues, as we look to the future, there are a number of global concerns that have implications for the Commonwealth and the ability of community colleges to advance and support workforce training and development. There are several of these issues that I want to share with the Committee for your consideration.

First, it is widely believed that this economic recovery will be unlike any we have previously experience in this country.

In May, 2009 *Business Week* reported “In the midst of the worst recession in a generation or more, with more than 13 million people unemployed, there are approximately 3 million jobs that employers are actively recruiting for but so far have been unable to fill.” The author cited this as evidence of “a structural shift in the U. S. economy that has created serious mismatches between workers and employers.”

History has conditioned us to expect that workers who have been laid off during a recession will be recalled to their old jobs once the economy improves. In the present recovery, this historical precedent does not reflect current trends. Economists tell us that we are seeing entire job sectors disappearing from the American economy, and they predict these jobs will not return.

Second, higher levels of training and ability will be required in the market place.

We can remember a time when there were solid jobs with strong financial rewards available for those with no education beyond high school. Jobs in areas such as manufacturing and construction were abundant, and many viewed access to higher education as a luxury available to those in our society with the resources and the desire to pursue a college education. This condition no longer exists.

The U. S. Bureau of Labor Statistics projects that over 60% of jobs now require some level of training beyond high school and that in the foreseeable future this number will reach 80%. There is also a projection that 80% of the 80% will require less than a bachelor’s degree.

We’re seeing this phenomenon all around us. When the auto industry resumed large scale production, the workers recalled into the production facilities first were those with an associate degree. In some of the coal mines in West Virginia, mechanization has reached the point that underground miners are required to have an associate degree to operate the equipment being used. My point is that we have moved from the point of access to higher education being a luxury to the point where the access has become one of economic necessity.

Third, Pennsylvania needs to increase the level of educational attainment among its existing workforce, age 25 and above.

In the data from the 2010 U. S. Census, it is reported that 86.9 % of Pennsylvanians, age 25 and over, have achieved a high school diploma or higher as the highest level of educational attainment. This percentage compares to the national average of slightly over 84%, so it is a number of which Pennsylvania can proud, but there is another series of numbers in the census data that has great significance for the future.

There is data contained in the 2005-2007 Community Survey data from the Bureau of the Census that amplifies the 2010 census data. The report indicated that 4.1% of adults age 25 and older had less than a 9th grade education. Another 9.5% had a 9th to 12th grade education without having received a diploma, and 38.6% had a high school diploma or equivalency. In an environment where 60% of jobs, projected to become 80%, require education beyond high school, these data demonstrate that 52.2% of the incumbent workforce holds a high school diploma or less. I believe this is a clear indicator that Pennsylvania needs to develop programs which will create incentives for current workers to pursue higher educational options as a way of ensuring the future economic competitiveness of the state and its workforce.

Fourth, Pennsylvania needs to develop public policy addressing the delivery of workforce training and development.

Several years ago, the Pennsylvania Commission for Community Colleges authorized a study on the role of community colleges in workforce training in the Commonwealth. The report concluded, in part that the state's community colleges were viewed as "just one more provider." I suspect this assessment speaks to the concerns of this Committee as it addressed getting people employed with the right skills.

At present, workforce training activities are fragmented. In some cases, training for working adults is available through secondary training institutions, the Career and Technology Centers. Some training is provided through industry partnerships, some by agencies associated with local Workforce Investment Boards. Labor unions are actively engaged through their apprentice programs, a variety of proprietary schools provide training programs, often at significant cost, and then you have competing interests across the various sectors of higher education. I'm not suggesting this approach is necessarily bad, but I will suggest that it is potentially inefficient, possibly wasteful, and in some cases, only marginally effective.

Other states, such as North Carolina, have chosen a more focused approach to workforce training and development and have designated community colleges as the instrument of public policy for the delivery of such training across the state. This is not to say that other training options do not exist, but as a matter of public policy from the State, community colleges are designated as the provider. I have talked with colleagues from North Carolina, and they believe having moved in this direction has created a more efficient and less costly workforce training system within their state.

Fifth, a new definition of workforce development is required.

Currently, workforce development seems to be defined as any activity providing training for an individual that will enable the individual to perform a specific job function. Other

skills training, what some may call “soft skills” is not generally considered workforce development.

In the conversations we have with business and industry, the employers provide a consistent message about the skills and abilities they seek in the individuals they hire, and the message is seemingly universal. They are looking for employees who:

- a.) Are workplace literate;
- b.) Can read, write and have computational skills;
- c.) Are technologically literate;
- d.) Possess reasoning and problem solving skills;
- e.) Can work in teams; and
- f.) Can adapt to changing work and job demands.

Training activities focused on the development of such skills are not presently acceptable under the current definition of workforce training. If we are to be responsive to the demands of local business and industry, I will suggest that a new definition that includes such activities as workforce development is in order.

Thank you for giving me the opportunity to appear before the Committee today. In closing, I want to share with you my belief that you will find PA’s 14 community colleges to be willing partners in the task of educating a 21st century workforce and in making significant contributions in the state’s economic recovery. We are already actively engaged in this enterprise across the Commonwealth, and given the appropriate resources, will gladly expand our efforts. I hope you will find my remarks of value as you consider policy directions for your caucus, and I will be happy to respond to any questions you may have.