

P. MICHAEL STURLA, CHAIRMAN
414 MAIN CAPITOL BUILDING
P.O. BOX 202096
HARRISBURG, PENNSYLVANIA 17120-2096
(717) 787-3555
FAX: (717) 705-1923



HOUSE DEMOCRATIC POLICY COMMITTEE

WEBSITE: www.pahouse.com/policycommittee
EMAIL: policy@pahouse.net
    @PADemPolicy

House of Representatives
COMMONWEALTH OF PENNSYLVANIA

HOUSE DEMOCRATIC POLICY COMMITTEE HEARING

Topic: College Affordability

East Stroudsburg University – East Stroudsburg, PA

December 3, 2019

AGENDA

- 3:00 p.m. Welcome and Opening Remarks
- 3:10 p.m. Panel of East Stroudsburg University Students:
- Leila Bouchekouk
President, Student Government Association
 - Shelby Jimcosky
Academic Affairs Chair, Student Government Association
 - Alex Reincke
School Director, Stroudsburg Area School District
- 3:40 p.m. *Questions & Answers*
- 4:00 p.m. Panel Two:
- Dr. Jeff Weber
Associate Provost for Academic Affairs, East Stroudsburg University
 - Ken Mash
President, Association of Pennsylvania State College & University Faculties
- 4:30 p.m. *Questions & Answers*
- 4:50 p.m. Closing Remarks

College Affordability Testimony

Alexander Reincke

Growing up in this country, one is always exposed to an American viewpoint on history. We are presented and promised the American dream and shown the numerous examples of past generations leapfrogging their way up the economic chain or buckling down and making it through the tough times.

This dream is dead.

Home ownership has still not recovered from the great recession. The minimum wage has not been increased in over a decade. Real wages have not increased for the American worker since the 70s. Union membership has collapsed. All of this has led to only 33% of this country's future generation believing that they will be better off financially than their parents.

Education is vital to this country. Universal education helped make us the richest, most powerful country to grace the planet. GIs coming home from war went to nearly tuition free universities or were placed in apprenticeship programs to teach them new skills that would see them safely placed into a good paying job. They would send their children to school in ever increasing numbers, propelling the education of America and the making of the modern American economy.

There is not a single industry or profession that does not require a steady pipeline of educated workers. This fact is universal, and every industrialized nation has come to grips with this.

Germany has free college for its students.

France has free college for its students.

Sweden has free college for its students.

Brazil, Argentina, Egypt, Greece, Spain, and Turkey have free college for its students.

Education is a public good, and a well-educated populace is vital to a healthy democracy. Public goods are traditionally publicly funded in their entirety or have very minor fees associated with their use.

I did not pay to drive down Stroudsburg's main street.

I did not pay to go to high school.

The fire department did not ask for my family's income when they were needed to put out a chimney fire.

No one can be deemed unworthy of hiking along Mount Tammany.

Yet the American student is expected to pay for this public good. The College Board says that average instate tuition is 11 thousand dollars. The average out of state tuition is 25 thousand dollars. The average room and board costs are around 10 thousand dollars.

This leads to the 44 million Americans who hold student debt to owe an average of 37 thousand dollars, with some holding far above this number. This broken system has led to Americans owing 1.6 TRILLION dollars to their own government and predatory fat cats on Wall St.

While the focus of this hearing is on Pennsylvania specifically, I wish to emphasize that this is truly a national problem; a problem which requires national solutions.

I am a proud American soldier. The army counts as one of the great joys and honors of my life. It has taught me innumerable lessons. Yet the budget for the Army has blossomed, increased yearly by our national leaders. It currently sits at 182 billion dollars, itself being larger and more capable than any of our strategic competitors.

Free college would cost this country 79 billion dollars.

The colossal debt held by our citizens prevents risk taking, self-development, and the personal accumulation of wealth. All 1.6 trillion should be cancelled. This is a mammoth undertaking to be sure, but this country seems to be capable of paying for far less desirable undertakings.

The most recent tax cuts served to the rich will lose the federal government 1.5 trillion in revenue over the coming decade. The endless wars we fight in the middle east, where working class sons and daughters go to be needlessly ripped apart by IEDs have cost us 5.9 trillion since 2001, along with thousands of deaths.

College must be made free at point of service. The debt must be forgiven. If America has any hope of competing in the 21st century; if it has any hope of resurrecting the promise of this great country, then it must begin to invest in its own future. I am proud to support the only candidate who will tackle these issues at the national level in the form of Bernie Sanders. His plan to make public forms of higher education tuition free, and to eliminate the staggering loan debt, are bold and desperately needed. Elizabeth Warren has also proposed sweeping reforms to our system that would alleviate the pain felt by students, and I hope the other candidates in the race follow suit.

But we cannot wait for national politicians to act. The Pennsylvania system is falling apart, with budget battles and sluggish enrollment plaguing places of learning throughout the state. Those who oppose the proper funding of our state system must be convinced or voted out, so that we can provide an affordable education for our students.

I sit on the Stroudsburg School Board, where I am proud to report that we have begun trials of an internship program that will connect high-school students with employers, providing them connections and on the job training that will insure their hiring after college or trade school. The Monroe County Technical Institute is moving towards a comprehensive model, where

students will spend full days learning their selected trades. Representative Madden has been a great fighter for securing funding for this vital project, and I would like to thank her for her continued persistence.

Like with everything else, these programs require money. Everyone sees their benefit and agrees that we should have them. They contribute to the education of the next entrants into the workforce. We do not require the students of Stroudsburg High School to loot their families bank accounts to send them into our newly created internship program. We do not require the students of MCTI to shell out thousands of dollars, plunging their families deep into debt, so that they can learn to cut hair or to code.

This country must be honest with itself. If left unabated, this crisis will continue to grow. It will grow until the bubble finally pops, perhaps providing for a financial melt down far greater and long lasting than the one we have yet to fully recover from, despite being a decade in the rear-view mirror.

I do not pay cash for the police to respond to my 911 calls.

I did not pay for those fire fighters to save my home.

I did not swipe my credit card for Mr. Bruski to teach me biology.

I should not have to pay for a degree that is a requirement to a middle-class life.

TESTIMONY
By JEFFREY A. WEBER, Ph.D. ASSOCIATE PROVOST
FOR SPECIAL HEARING
ON COLLEGE AFFORDABILITY

HOUSE DEMOCRATIC POLICY COMMITTEE

INNOVATION AND TECHNOLOGY CENTER
EAST STROUDSBURG UNIVERSITY
EAST STROUDSBURG, PENNSYLVANIA

TUESDAY, DECEMBER 3, 2019

1 Good afternoon. Thank you Representative Madden and members of the House
2 Democratic Policy Committee for holding this hearing on college affordability, an important
3 issue which has an economic, societal, and generational impact. My name is Dr. Jeffrey Weber,
4 and I have the honor and privilege of serving as the Associate Provost for Academic Affairs at
5 East Stroudsburg University. East Stroudsburg University is one of 14 universities in the state
6 system of higher education. ESU has 6,174 undergraduate and graduate students; 58
7 undergraduate programs, 21 graduate programs, and 2 professional doctorate programs.

8 College affordability is a complex issue which has yet to be clearly defined, and has
9 subsequently resulted in a wide-range of policy solutions. Overall, the the definition is usually
10 just implied as the cost of a college education versus the resources available to pay for it. The
11 large variety of costs across all the different types of secondary education, and of the resources
12 available to pay for it, make it seemingly impossible to narrow down to one definition.
13 According to the Lumina Foundation, there are 150 community colleges in the nation that charge
14 full-time, in-state residents, \$2,000 a year, while there are four year, private non-profit colleges
15 that charge tuition over \$40,000 a year. We know the listed tuition at some colleges and
16 universities is often not the actual price, due to discounting, grants, and scholarships that are
17 offered. The resources available to pay vary based on who it is that is paying – the student,
18 parents, an institution, or governmental (local, state, or federal). Each of these vary greatly from
19 individual income levels, type of institution, and location.

20 Given such a range of complexity involving this issue, for the purpose of this testimony I
21 will narrow it down to Pennsylvania Public Higher Education, which I am defining as only the

1 14 universities within the Pennsylvania State System of Higher Education. Please note that this
2 does not include Pennsylvania State University, or any of the other state related, because they are
3 a different type of university. John Thelin's *A History of American Higher Education* provides a
4 complete understanding of the difference between the state system universities that developed
5 from state teacher education normal schools, to our large variety of state related universities.

6 As early as 1911, the state realized that private ownership of the 14 state normal schools
7 as originally established in the Normal School Act of 1857, was not working and the state
8 government purchased the schools and established a public higher education system. The State
9 System of Higher Education was established through Act 188 of 1982 with the explicit purpose
10 of, "to provide high quality education at the lowest possible cost to the students." The phrase
11 "lowest possible cost" sounds good, but its vagueness defies the specificity. "Lowest cost" in
12 relation to what? Is it in relation to the expenses that a university has, or is it in relation to how
13 much a student is able to pay? If it is relation to what a student is able to pay, then what is "low"
14 to one student, might be "high" to another. Cost goes to the heart of affordability. When we
15 speak of "College Affordability," it begs the question, affordable to whom? The federal or state
16 government, the individual university, the student, or to a combination of all of them.

17 Depending who the focus is, it will result in dramatically different policy solutions, all of which
18 currently merely shift the burden of the costs to one or the other parties. The idea of "free
19 college tuition" shifts the burden of costs to the government, while those that seek expansion of
20 student loans and aid, shift the burden of costs to the students. Additionally, interrelated to the
21 idea of affordability is also quality of the educational program. Charging very little for a poor
22 education, that does not result in the student earning anything could be consider unaffordable.

23 While a more expensive educational program that results in student having higher earnings over
24 time, could be viewed as very affordable. So the issue has to be considered not just from the
25 immediate moment of a student attending a university, but also longitudinally, over the life long
26 career of the student. For example, Georgetown University's Center on Education and the
27 Workforce, considers college affordability on a 40 year period after the student graduates to
28 assess, the return on investment that a student makes on the amount they spent for a college
29 education.

1 For the purpose of this testimony, I will provide a brief overview of three areas related to
2 college affordability: the Pennsylvania State Government; PASSHE and East Stroudsburg
3 University; and, the individual student at ESU.

4 It is a well established fact, that the Pennsylvania State government ranks 48th in the
5 nation in educational appropriation per full-time student. If you look at state PASSHE
6 appropriations from 1983-84 to 2019-20 in constant dollars, you see approximately \$160 million
7 decrease. Similarly, there has been a decrease in the state appropriation to PHEAA, thereby
8 decreasing the amount that is available to student. The actual maximum PHEAA grant to
9 students in 2007-2008 was \$4,700, while in 2019-20 it is only \$3,856. Our lack of funding for
10 public higher education, has earned us last place, the coveted 50th spot for public higher education
11 in the 2018 US News and World Report ranking of “Best States.” It is important to note that
12 both political parties bare responsibility for the decrease in public higher education
13 appropriations.

14 Concurrently, with the decrease in appropriations, the state has continued to add
15 legislative and regulatory requirements, which impose a cost on the universities in order to be in
16 compliance. While the intent of the laws and regulations can be for the right reason the cost of
17 implementing and compliance is ultimately borne by the individual institution. The recent study
18 on regulatory compliance cost conducted by the National Association of Student Financial Aid
19 Administrators (NASFAA) and Vanderbilt University found that compliance costs were, on
20 average 11% of the operating expenses for a university. Applying that to ESU, would mean
21 spending about \$10 million on regulatory compliance. The NSFAA also did an Administrative
22 Burden Survey and found that 86% of the public 4 year universities had insufficient human
23 resources to do regulatory compliance and meet the responsibilities of their office. For example,
24 every hour that a financial aid counselor is involved in regulatory compliance is an hour that they
25 are not available to provide services to a student. To give you a further example, ESU now has
26 to 176 formal reports to the federal and state government each year. The compiling of the data to
27 be reporting, the auditing of the data, and the actual submission of the data all consumes
28 countless workhours, which adds to the costs borne by the university.

29 At East Stroudsburg University and with PASSHE, the focus is and has been over my
30 fifteen years as a faculty member and now administrator, on keeping the costs to our students as
31 low as possible. Since freezing tuition in July 2019 for just the second time in the State

1 system's 36-year history, the System is continuing its efforts to keep public higher education
2 affordable to the students who depend on us. Basic tuition for in-state undergraduate students at
3 the system's 14 universities remained at \$7,716 for the 2019-20 academic year. As all of you are
4 well aware, the system is engaged in a redesign initiative and is looking at ways to continue to
5 improve the ability of students to take courses across the system and ensure timely degree
6 completion, which will save students potential cost and time. Shared services are also being
7 looked at with the desire to ultimately lower the costs of each institution, thereby helping to
8 make college more affordable.

9 At ESU we instituted the WARRIOR Promise, which is the promise of a guaranteed,
10 fixed, four-year tuition rate. The Warrior Promise, guarantees incoming undergraduate students
11 that they will pay the same tuition rate, without an increase, for the next four years. This enables
12 students and their families. At ESU we also offer a wide variety of housing options ranging
13 from \$3,090 to \$4,900 per semester, so that students who live on campus can choose an option
14 that best meet what they can afford. Also, students can choose a variety of meal plans ranging
15 from \$1,210 to \$1,450 per semester, which makes it one of the least expensive meal plans in the
16 state system. We are also focused on the costs of textbooks and are in our second year of
17 implementing Open Education Resources (OER) which is an option some faculty can use to
18 eliminate the cost of textbooks. Currently, we have 23 faculty across all four colleges using
19 OER in primarily introductory courses. Additionally, we have some faculty that have eliminated
20 the use of a textbook in the course by using free open source, on-line material, in their subject
21 area. One innovative way, faculty involved in our first year experience, wrote their own text
22 book for the course and it sells for only \$39 and the profit from the book is put into a scholarship
23 fund for students. We also ensure that we operate as efficiently as possible by ensuring that we
24 right-size for our enrollment, by consolidating course sections to ensure as many course sections
25 as possible are filled and not just run at half-capacity. Finally, at ESU we have focused on how
26 to ensure students have careers to enter even before they leave our University. All of these
27 efforts are the reasons that average student debt for ESU students, which according to The
28 Institute for College Access and Success is \$24,000, which is \$5,000 less than the national
29 average and the second lowest in Pennsylvania. Also, according to Georgetown University's
30 Center on Education and the Workforce, ESU is one of the best value for the cost among all
31 public university's nationwide.

1 Having discussed state government funding and the actions being undertaken by
2 PASSHE and ESU, I would like now to turn to our students at ESU.

3 I will not go into detail about the multiple sources of funding for a student going to
4 college between financial aid, state grants, scholarships, and loans which has been documented
5 through multiple sources. What I will tell you about are our students and my personal
6 experience with them which will provide a different story of the complexity of college
7 affordability and the real life impact the state's failure to fund public education is reaping.

8 At ESU we have 5,417 undergraduate students and 797 graduate students. 40.3% of our
9 undergraduate students are underrepresented minorities. The student body comes from 29 states
10 and 21 different countries making ESU the most diverse campus in the state system. 44 percent
11 of our students are first-generation students which means that many of the students do not
12 understand some of the basics of how they go about funding their college education. In fact, at
13 the start of this semester, a distraught parent of one of our new students did not understand what
14 the bill was all about, because in her mind they did not have to pay for public education in high
15 school, why would there be a cost for public college. At that start of this semester, we had 1,132
16 students that had not even made a single payment towards their bill, nor made acceptable
17 financial arrangements. From the time the students moved into the dorms all the way to even
18 now, ESU administrators, faculty and staff have been reaching out to students to assist them with
19 their financial situation. At the time of this hearing, we still have 726 students with financial
20 payment difficulties. Sometimes assisting the students is as simple as getting them to complete
21 the FAFSA, and having them accept it, so their financial aid can be awarded, and their financial
22 aid can be awarded. Other times, the student's issues are more complex, as you attempt to
23 connect them to scholarships, grants, loans, and student worker opportunities so that they all can
24 be pieced to together to fund their education. While working with students through these
25 financial issues, you encounter a myriad of life events, which would be overwhelming to any
26 county social services office. Homelessness, addictions, abuse, you name it, we have
27 encountered it.

28 Additionally, I am humbled by the students I have encountered who are working multiple
29 jobs to afford their college education, whose lives are taken up with work, the classroom,
30 studying, and making it through the next exam. By students that have families of their own and
31 juggle work, being parents, and getting an education.

1 I am in awed by some of our students who have disabilities but do not let that stop them
2 from pursuing their education. I have seen students suffer life threatening seizures, and have
3 personally been the ER with them, to see them bounce back, and refuse to give up. Students that
4 are blind, deaf, paraplegics, with learning disabilities each day go classes to earn their degrees.

5 Everything that I have described above is occurring at ESU while we are focused on our
6 primary mission of providing a challenging and contemporary undergraduate and graduate
7 curricula that engage and equip students to critically appraise and apply knowledge in their lives
8 and chosen fields of study. Historically, this has always been the mission of the university, but
9 the societal environment that is on campus has changed as college has become more accessible.

10 College Affordability is more than the price of tuition and fees, it is also about adequate
11 funding for the services that are provided to help ensure student success.

The issues

Pennsylvania is the **FOURTH** worst state for **COLLEGE AFFORDABILITY**

THE SIMPLE DOLLAR, 2018

Pennsylvania ranked **50TH** in **HIGHER EDUCATION** – two consecutive years

U.S. NEWS AND WORLD REPORT'S "BEST STATES" REPORT, 2018 AND 2019

In 2001, Pennsylvania students covered **49%** of their **COST OF COLLEGE**. In 2016, they covered **73%**

DEMOS

Pennsylvania's percent change in **STATE SPENDING PER STUDENT** (2008-18, adjusted for inflation):
-33.8%

CENTER ON BUDGET AND POLICY PRIORITIES

Average **TUITION** at a public, four-year college in PA **WENT UP 26.1%** between 2008 and 2018

CENTER ON BUDGET AND POLICY PRIORITIES

A **\$1,000 INCREASE** in a student's financial aid corresponds to a **9.2-percentage-point DECREASE** in the likelihood that a student will **DROP OUT OF COLLEGE**, research indicates

NATIONAL BUREAU OF ECONOMIC RESEARCH

PA ranks **47TH** in percentage of revenue covered by **TUITION**

DEMOS, 2016

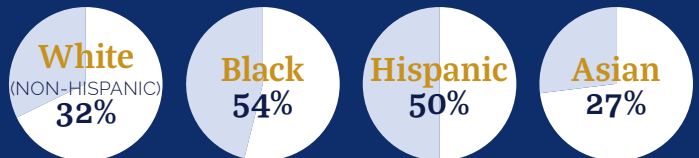
PA is **49TH** in **HIGHER-ED SUPPORT PER CAPITA**

(2017)

SHEEO

PA's average net **price of attendance** at a public, four-year university as a **share of median household income**, by race:

CENTER ON BUDGET AND POLICY PRIORITIES, 2017



OVERALL: 34% (RANKS 48TH)

Pennsylvania's **STATE SPENDING PER STUDENT** **DECREASED \$2,541** between 2009 and 2018

ADJUSTED FOR INFLATION, CENTER ON BUDGET AND POLICY PRIORITIES

AVERAGE TUITION at a Pennsylvania public, four-year college **INCREASED \$3,006** between 2009 and 2018

ADJUSTED FOR INFLATION, CENTER ON BUDGET AND POLICY PRIORITIES

PA is **\$3,521** below the U.S. average for **FTE FUNDING** – **48TH** in educational appropriation difference from U.S. average

SHEEO, 2017

The issues (continued)

For a full-time freshman enrolled at a non-selective school, a **\$1,000 INCREASE IN TUITION** costs was associated with a **4.5% DROP IN CLASS DIVERSITY**

RESEARCH IN HIGHER EDUCATION, 2018

PA ranks **49TH** in higher-education support per \$1,000 of personal income: **\$2.66 IN FY 2017**

SHEEO

The consequences

Pennsylvania is the **HARDEST** state to **WORK YOUR WAY THROUGH COLLEGE**



TEXTBOOK RUSH

Pennsylvania has seen a **57% INCREASE** in seniors owing student debt

(2012-17)

STUDENT BORROWER PROTECTION CENTER

PA has **\$68.2 BILLION** in outstanding student debt

STUDENT BORROWER PROTECTION CENTER

\$7.2 BILLION of PA's outstanding student debt is **DELINQUENT**

STUDENT BORROWER PROTECTION CENTER

239,550 Pennsylvania borrowers are in **DELINQUENCY**

STUDENT BORROWER PROTECTION CENTER

\$39,302 is the average **STUDENT DEBT** for a PA graduate

STUDENT BORROWER PROTECTION CENTER

PA ranks **49TH** in **STUDENT-LOAN DEBT PER CAPITA: \$5,690**

FORBES

Pennsylvania ranks **48TH** in **AVERAGE STUDENT DEBT**

LEND.EDU

66% of PA grads had **STUDENT-LOAN DEBT**

2018

STUDENT BORROWER PROTECTION CENTER