



Pennsylvania State System of Higher Education

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Senate Education Committee Hearing on Higher Education Affordability and Accessibility, May 15, 2013

Testimony on behalf of the Pennsylvania State System of Higher Education Lois Johnson, Associate Vice Chancellor for Administration and Finance

Good morning, Chairman and members of the Senate Education Committee. On behalf of the Pennsylvania State System of Higher Education (PASSHE), we welcome this opportunity to discuss affordability and accessibility to higher education opportunities for Pennsylvanians. PASSHE's mission is to provide high quality education at the lowest possible cost to the student; the Board of Governors takes seriously its role of offering high quality, affordable education to all Pennsylvanians through our 14 universities.

The academic offerings of your state-owned universities are not only designed to meet the workforce demands of the Commonwealth; they are also designed using a variety of delivery methods—such as online, on-site, and on-campus—in order to ensure access for Pennsylvanians. Therefore, I am pleased to sit before you today to discuss the implications of SB 78, 420 and 713.

We realize that not all Pennsylvanians seeking higher education have the opportunity to take classes on one of our 18 campuses. Changes in when, where, and how students learn, coupled with changing workforce demands for new or revised academic offerings, have resulted in a growing availability of online courses and programs through our universities. Last year over 40,000 PASSHE students took at least one online course, while almost 3,000 participated solely online. Whether Pennsylvanians are place bound or are juggling multiple responsibilities, the flexibility of online education offers high quality educational opportunities to all, in their time, place, and desired modality.

PASSHE's distance education participation increased more than 40% over the last three years and new online courses and programs are under development. Unfortunately, Pennsylvania undergraduates that take the majority of their coursework online do not qualify for the Pennsylvania Higher Education Assistance Agency's (PHEAA) state grants. This limit in financial aid eligibility artificially restricts the growth and enrollment in fully online distance education programs at the undergraduate level and limits affordability and opportunity, especially to nontraditional students and adult workers. We commend Senator Greenleaf for his commitment to financial assistance for distance education students, as reflected in Senate Bill 78; and have been working closely with PHEAA on the development of their distance education pilot proposal. We are hopeful that state grants will soon be available to distance education students without negatively affecting the average state grant for those learning in the classroom.

We appreciate the financial assistance provided to our students through PHEAA, which is an essential partner in ensuring the success of our most financially challenged students. Last year, 36,500 PASSHE students, or over 40% of our Pennsylvania undergraduates, received a PHEAA state grant, averaging \$3,000. However, due to the growing enrollment of Pennsylvanians, and the limits of state funding for the grant program, the average state grant is less today than it was five years ago.

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Even in years of increasing appropriations, the state grant program has struggled to maintain the purchasing power of its grants. The fiscal environment of recent years has exacerbated this problem. Smaller state grants and limits in federal financial aid, combined with a continually growing cost of obtaining a higher education, leave one to wonder if even the least expensive options for a bachelor's degree are becoming unaffordable for those with the greatest financial need.

Although PASSHE would welcome the opportunity for more of its middle income students to receive state grants, as proposed in Senate Bill 420, much consideration should be given to whether this is the best way to address the financial need of Pennsylvania students. For example, a typical student with a \$65,000 family income attending a PASSHE university might receive a \$3,000 state grant and no federal Pell grant. The federal government estimates this family could contribute \$5,200 to their student's education. How will *this* family close the gap in price and resources?

For over 10 years, I have had the privilege of serving on the State Grant Advisory Committee. In this role I have gained a deep appreciation for the nuances of determining the best way to distribute a limited pool of funds to students with financial need in order to increase higher education opportunities and success to as many students as possible. This is done in an ever-changing financial aid environment that becomes more complicated each year. PHEAA has decades of experience in managing one of the most effective state grant programs in the country. Their expertise would be beneficial in determining how best to serve Pennsylvanians if more funds are available for state grants.

In regard to the proposed Pennsylvania DREAM Act, as reflected in Senate Bill 713, PASSHE's residency requirements for tuition purposes are based on domicile, not citizenship. Our current practices, required by statute specific to PASSHE, are in compliance with the draft legislation. However, many undocumented persons living in Pennsylvania may choose not to pursue higher education because of affordability issues. Gaining state grant eligibility and the publicity of these opportunities may result in PASSHE being able to serve more of this population.

In closing, I would like to reassure you that PASSHE's Board of Governors takes seriously its role of providing access to high quality, affordable education. This focus has resulted in tuition increases that have been less than or at the rate of inflation for five of the past six years. Similarly, PASSHE's university presidents continue to be focused on controlling the price to the student through effectively and efficiently managing their institutions with limited resources. But it is only through partnering with the Commonwealth and PHEAA that access and affordability will be achievable. Thank you for your tireless efforts and continued support for access to affordable, quality higher education.

At this time, I would be happy to respond to any questions you might have.