

City Council Budget Testimony of Community College of Philadelphia

Interim President Judith Gay, 10 a.m. on April 7, 2013

Good afternoon. My name is Judith Gay, and I am Interim President of Community College of Philadelphia.

Accompanying me today is Matthew Bergheiser, Chairman of the Board of Trustees. Thank you for giving us the opportunity to present the budget testimony for Community College of Philadelphia for FY2014-2015.

Every year, thousands of Philadelphians seeking accelerated paths to well-paying careers and financially-secure lives enroll at our College. While open-admission institutions such as ours were established to widen professional pathways and extend ladders of opportunity, higher education increasingly is viewed as unaffordable as tuition continues to increase, student loan rates rise and public funding remains flat.

Of course we are grateful that Mayor Michael Nutter has proposed a \$500,000 increase to our FY 2014-15 budget to help reimburse students for tuition hikes, but those new funds will not offset the amount we need to keep student costs level for FY 2014-15. Every \$500,000 in additional revenue the City provides for the upcoming year roughly translates to a savings of \$1.50 per credit hour or approximately \$5 per course.

While a tuition increase of a few dollars may seem manageable, too many of our students find themselves in an ever deepening hole. Tuition is on the rise at the same time changes to federal eligibility rules have eliminated thousands of students from the Pell Grant rolls, and put others at risk of losing aid. This change comes at a time residents without a degree or industry-approved credential find it increasingly difficult to qualify for the jobs offering decent pay and benefits.

In FY 2012-13, students contributed 61.0 percent of the College's total operating budget. Based upon increased City support in FY 2013-14, the tuition and fee increase this year was less than in prior years and the percent of the operating budget paid by students decreased by one tenth of a percent.

Nonetheless, the decline in the portion of the budget funded by City and State dollars has led to a growing reliance on tuition and fees to maintain supportive learning environments and dynamic initiatives that bolster retention and credential completion.

Unfortunately, there is no relief in sight from the Commonwealth. State operating funding for the College has been at a flat level for the 2012, 2013 and 2014 fiscal years. Gov. Corbett proposed flat funding for FY 2014-15 for the state's 14 community colleges, with a \$1 million reduction in capital funding.

Tuition and fees for Philadelphia residents currently are approximately \$5,000 a year, but keep in mind this does not include out-of-pocket expenses such as books, which average between \$1,200 and \$1,500 a semester, childcare, transportation, supplies and living expenses. If the College raises tuition again this year, students may opt out or decide to increase their level of debt, which in the years ahead may prove to be a deterrent to economic growth.

The number of students at our College who are taking out loans to help pay for their education is alarming. Between FY 2009-10 and FY 2012-13, the number of students with loans increased from 8,402 to 10,755, up 28 percent. During that same period, the average amount of money borrowed rose to nearly \$4,000 while the amount borrowed annually by our students was more than \$42 million, up 31 percent.

This year, we managed to secure financial relief for hundreds of our most vulnerable students by partnering with Single Stop USA, a nonprofit organization that enables us to connect them to state and federal financial resources and local community services. The program served more than 700 students November through March, 500 of whom received assistance preparing their tax returns, netting them a collective \$800,000 in benefits to date. Other students underwent a federal and state benefit analysis, which netted additional dollars to help them stay in school.

Over the last decade, the College has tightened controls on staff and expenditure levels, and we will continue to do so. Each year is a delicate balancing act, as we attempt to meet the increased need for higher education programs and services without putting more pressure on our students.

During that same period, the number of students graduating actually rose by more than 25 percent. We credit new student supports and recent efforts to develop paths, stackable credentials and initiatives that accelerate student progress. However, we are nearing a tipping point, where further increases in tuition and fees could discourage those struggling hardest to stay in College.

So many students arriving on our Main Campus and at the Northwest, Northeast and West regional centers have reached crossroads in life. Some seek an accelerated path to a new career, while others plan to transfer to nearby universities. Jason Mays, age 30, is among those students currently reimagining his future. Jason served as a soldier in Iraq until he was injured in an attack. As he transitions back to civilian life, he is looking for an opportunity to put his military know-how to use in a workplace. His experiences overseas and vast cultural knowledge allow him to connect easily with diverse peoples. This past year, he was elected by his peers to serve as president of the Student Government Association. Though Jason is pursuing an Associate of Arts in Business Administration, his success on our campus has him thinking about a career in politics.

He and others with the courage to travel unknown paths are investors in Philadelphia's future. The College is working hard to make their journeys more affordable and easier. The Opportunity Now program provides one tuition-free semester for any Philadelphia resident who is laid off from full-time employment. Returning to Learning offers a 25 percent tuition discount to City employees enrolled in a degree or certificate program. The My Degree Now Program, in its fourth year of operation, encourages adults with a significant number of previously-earned credits to complete an Associate Degree program debt free. And the First Class Program allows an individual working for a co-sponsoring agency to take their first-ever college credit course for free. Since Fall 2012, more than 454 students have benefited from these tuition assistance programs.

Challenging times demand bold new thinking, creative collaborations and new services. Our response is three-fold: maintain access, increase retention and focus students on credential completion.

Here is just a sampling of what we are doing:

- The Veterans Resource Center serves students who are active duty, retired, Reservist or National Guard veterans, spouses of veterans and dependent children of service-disabled veterans. Support services are available to facilitate life and career transitions, navigate federal benefits and get them acclimated to a new learning community. For the period October 2012 through September 2013, the Center had conducted nearly 5,300 contacts with veterans or spouses and/or dependents of veterans to assist with questions and/or provide information. In 2012, we were designated a Top Military-Friendly College by Military Advanced Education, a journal of higher learning for service members. In addition, the College was named a Military Friendly School for 2014 by Victory Media.
- The Center for Male Engagement (CME) continues to be cited as a national model for addressing the impact of culture on learning and in higher education. It provides targeted academic and non-academic supports to enhance student skill sets, cultivate a sense of belonging and build confidence as students, African Americans particularly, pursue a degree. It offers support coaches, resources such as on-site computers, and career and leadership development programs. First-time-in-college and continuing CME students persist at a higher rate than all students. The CME was recognized as a 2011 Innovation of the Year by the League for Innovation and, in 2012, the College received the Lee Noel-Randi Levitz Retention Excellence Award for the program.
- The Homeless Student Initiative, featured in a January issue of *Diverse Issues in Higher Education*, helps us retain homeless students and connect them to resources that allow them the freedom to concentrate on their studies, and not their problems. This program provides stipends for food and, on special occasions, groceries. Staff work with participants to overcome daily challenges such as finding places to keep textbooks secure.
- A variety of programs help facilitate transitions by Philadelphia high school students and graduates. Gateway to College serves at-risk youth, 16 to 21 years old, who have dropped out of school. It gives participants the opportunity to earn a high school diploma while achieving college success. Students take academic skills development courses, receive supplemental educational support and individual counseling, and participate in workshops with life skills,

career development and college preparation activities. In addition, the College continues to maintain opportunities for high school students to earn college credits through the summer Advanced College Experience (ACE) Program, offered in summer, and the Dual Enrollment Program, offered during the academic year. ACE served 161 high school students in 2012 and 223 in 2013. In all, 656 high school students occupied 983 seats during summer 2012 through spring 2013 in dual enrollment initiatives.

- The Re-entry Support Programs offered through the Fox Rothschild Center for Law and Society deliver college credit classes at Cambria Detention Center. Faculty and staff provide support for admissions, financial aid, and tutoring for inmates prior to their release, initiating the educational process and easing their transition to the College. The project also provides support for students on campus including workshops and coaching. With funding from the Pennsylvania Commission on Crime and Delinquency, the program expanded this spring to include women behind bars. Since Spring 2011, 93 individuals have been served.
- The College currently has 236 articulation and dual admission agreements with regional colleges and universities. Transfer continues to be one of our top institutional strengths.
- The College offers 18 short-term proficiency certificate programs focused on providing students fast-tracks to some of the region's most robust employment sectors. These stackable credentials enable students to qualify for entry-level positions in industry while they continue to pursue a degree. They include: Automotive Service, Biomedical Technician, Digital Imaging, Geographic Information Systems, Medical Insurance Billing, and Professional Cooking.
- Student demand for online classes has made it our fastest growing enrollment sector. In 2012-2013, 26 online and hybrid courses were approved and an additional 28 new courses are under development. The number of faculty teaching online increased 15 percent from 121 in 2011-2012 to 139 in 2012-2013. Are the fastest growing course
- The College continues to dedicate limited resources to strengthening adult basic education services, GED testing and supports for students transitioning from high school to college. In fall 2012 and spring 2013 over 1,600 adults were served by the College's adult basic education (ABE), GED and non-credit ESL programs combined.

Workforce training and economic development remains a critical part of our mission. In the past year, we continued efforts to expand our relationships with area businesses, offering the customized training they need to remain ahead of their competition.

As part of an ongoing effort to respond to needs of the business community, we partnered with the City in 2013 to bring Goldman Sach's *10,000 Small Businesses* initiative to the Delaware Valley. To date, nearly 100 businesses have participated in all facets of the program. In addition, 79 entrepreneurs – spread amongst the first three cohorts of scholars – have taken the intensive course at the College, which prepares them for the next level of success. The College is particularly pleased that our capital partners, Philadelphia Industrial Development Corporation and Community First Fund, have already made nearly 20 loans valued at nearly \$5 million. Other initiative partners include: Urban League of Philadelphia; Greater Philadelphia Chamber of Commerce; Greater Philadelphia Hispanic Chamber of Commerce; Opportunity Finance Network and The Wharton School, University of Pennsylvania.

In addition, JobTrakPA, a Department of Labor initiative, continued to accelerate the pace of career transitions for displaced workers. We are leading the consortia of Pennsylvania's community colleges involved in the initiative. Philadelphians receive rapid occupational skills training for advanced manufacturing and energy conservation – two high priority industries. And low-cost employee educational programs are provided through the workforce development unit, Corporate Solutions. Programs offered include contracted training programs tailored to meet the needs of an employer and on-site credit degree programs. Corporate Solutions also facilitates the awarding of Workforce and Economic Development Network of Pennsylvania (WEDnetPA) and Guaranteed Free Training (GFT) Grants. In addition, open-enrollment non-credit workforce development courses are offered.

In addition, we feel a genuine responsibility to support the companies that will employ our future graduates. The College's continuing commitment to minority- and female-owned businesses resulted in a substantial increase this past year in the dollars we spent with them. In FY 12-13, 66.74 percent of the College's \$5.5 million in discretionary spending was spent with women-owned or minority-owned companies, for a total of \$3.694,858. By comparison, in FY 08-09, women and minority vendors received contracts representing 34.13 percent of the College's discretionary spending, or a total of \$2.4 million..

In conclusion, I would like to thank each of you for your ongoing support of our institution. We appreciate your encouragement, input, and your participation in community programs and events. When you take time to visit our Main Campus or regional centers, it lets students know their hard work and sacrifice matters, not just to their families, but to the entire City.

As you allocate resources this year, we ask you to make a decision that ensures this City's only public institution of higher education remains accessible, affordable and capable of responding to the long-term needs of residents and businesses.

Thank you.

Community College of Philadelphia

Recap of Efforts to Increase Spending with Minority, Women and Disabled Owned Firms

- As part of normal operating processes, the buyers in the Purchasing Department are required to solicit minority businesses that fall within their commodities responsibilities. Buyers identify potential vendors by reviewing prior purchases and by contacting colleagues and members of purchasing-related organizations.
- Every formal bid is to include at least one minority business participant. When bids are advertised as required by College or State policy, the College does so in diverse publications such as the Philadelphia Sun, Philadelphia Tribune and Al Dia Newspapers in addition to many trade journals. In addition to these public advertisements, notifications are sent to the local Chambers of Commerce's (African American, Asian American, Greater Philadelphia and Hispanic). Other local diverse supplier support agencies are also sent these notifications (Minority Development Agency, Eastern Minority Supplier Development Council, WBENC, GPAUC, etc.).
- The College has a published EOP (Equal Opportunity Plan), which is implemented for large scale projects and construction. Examples of our efforts to secure minority participation include:
 - Meet and Greet workshop events for prime contractor to meet diverse subcontractors
 - Data sharing with the Hispanic, Asian and African American Chambers of Commerce
 - Architects are directed to design to maximize minority firm participation
 - Scopes and Specifications are written to limit the size of each effort to encourage smaller minority firm participation
 - Seminars for minority firms and the Chambers held in an effort to assist in overcoming bonding limitations.

During construction contractors are required to document and report on their achieved EOP goals monthly. When goals are not met the contractor is required to develop corrective measures. Payments are withheld until the College receives the required EOP documentation.

- With all major contracts, efforts are made to encourage minority business participation. Additionally, efforts are made to encourage prime contractors to solicit minority participation in all major construction contracts. The College assists contractors in this effort, when requested, with providing viable minority business contacts as well as contact information for local agencies and organizations that maintain certified M/W/DSBE membership.
- The College's Purchasing Department periodically hosts a minority vendor fair. At this event, officials from city, state and federal agencies are available to educate and assist vendors in the certification process, discuss changes in regulations, and provide information to assist minority businesses. College employees from the larger-spend departments are available to meet with vendors who can inquire as to the commodities and services required by their respective departments. Staff from some of the College's national vendors, such as Barnes & Noble and Allied Security, also staff tables. Through their participation the College desires to influence second tier spending.

Additionally, PACC member schools are invited and staff tables to assist in growing their minority vendor contacts. In turn through our affiliation with PACC, annually the College reciprocates and participates in minority vendor fairs hosted by PACC members.

- The Purchasing Staff has memberships/affiliations with several organizations that provide opportunities to source new minority vendors and share minority vendor information amongst entities. They include:
 - Minority Women Business Development Group of the Institutional Supply Management organization.
 - MBC-PA (Minority Business Development Agency Business Center of Pennsylvania) - UPI (University Purchasing Initiative)
 - PACC (Philadelphia Area Collegiate Cooperative)
 - ISM-Philadelphia (Institute of Supply Management- Philadelphia)
 - Eastern Minority Supplier Development Council
 - NAEP (National Association of Educational Procurement)

As a part of these meetings, buyer's network and exchange information on minority vendor sources for various commodity procurements.

- The Department also works with the following organizations to obtain supplier contacts and to invite certified minority vendors to participate in College RFP's and other buying opportunities.
 - African American Chamber of Commerce of PA, NJ and DE
 - Asian American Chamber of Commerce of Greater Philadelphia
 - Greater Philadelphia Hispanic Chamber of Commerce
 - Greater Philadelphia Chamber of Commerce
 - Greater Philadelphia Urban Affairs Coalition
 - Minority Business Development Agency Business Center of PA
 - Eastern Minority Supplier Development Council

The UPI (University Purchasing Initiative), developed collectively by the College, University of Pennsylvania, Drexel University, and Minority Business Development Agency Business Center of PA, seeks to increase opportunities for minority vendors to work with area colleges and universities.

The College regularly participates in functions and events sponsored by these organizations serving in the capacity of panelists at functions that aim to educate the minority business community on how to do business with our institution. Additionally, we set up informational tables frequently at trade show and networking events to connect with minority businesses and assist them in navigating our procurement process.

COMMUNITY COLLEGE OF PHILAELPHIA

Spending on Capital Purchases; Professional Services; and Supplies, Services and Other Non-Salary Expenses

| | <u>FY 08-09</u> | <u>FY 09-10</u> | <u>FY 10-11</u> | <u>FY 11-12</u> | <u>FY 12-13</u> |
|---------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <u>Discretionary Spending level *</u> | \$7,173,432 | \$6,859,211 | \$7,311,875 | \$6,671,899 | \$5,536,125 |
| Minority-Owned - Men | \$441,450 6.15% | \$397,756 5.80% | \$692,580 9.65% | \$378,712 5.68% | \$425,906 7.69% |
| Minority-Owned-Woman | \$159,363 2.22% | \$48,863 0.71% | \$110,017 1.50% | \$232,547 3.49% | \$873,454 15.78% |
| Total Minority-Owned | \$600,813 8.38% | \$446,619 6.51% | \$802,597 10.98% | \$611,259 9.16% | \$1,299,360 23.47% |
| Woman-Owned | \$1,847,411 25.75% | \$2,259,818 31.50% | \$2,696,881 37.60% | \$2,286,470 34.27% | \$2,395,498 43.27% |
| Grand Total | \$2,448,224 34.13% | \$2,706,437 39.46% | \$3,499,478 47.86% | \$2,897,728 43.43% | \$3,694,858 66.74% |

* Represents spending on Capital Purchases; Professional Services; and Supplies, Non-Professional Services and Other Non-Salary Expenses

| Community College of Philadelphia | | | | | | |
|---|--|---------------------|--|---------------|--|------------------|
| Minority-, Women-, and Disabled-Business Owners | | | | | | |
| Participation Patterns | | | | | | |
| | | | | | | |
| Chemistry and Applied Sciences Laboratory Renovations | | | | | | |
| | | | | | | |
| | | Contract Amounts | | % of Total | | M/W/DBE Goals |
| Minority-Owned | | \$610,150 | | 23.1% | | 25.0% |
| Women-Owned | | \$249,050 | | 9.4% | | 10.0% |
| Disabled-Owned | | \$0 | | 0.0% | | 2.0% |
| Other (Non M/W/DBE) | | \$1,782,818 | | 67.5% | | |
| Total Project Expense | | \$2,642,018 | | | | |
| | | | | | | |
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| Landscaping at 17th Street Bonnell Entrance | | | | | | |