

Statement of Michael B. Enzi

**Senate Committee on Health, Education, Labor and
Pensions**

American Association of Community Colleges

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Thank you for your kind introduction and for inviting me to speak with you today. As I am sure President McFarland and the other Wyomingites here today will tell you, no state understands and appreciates what community colleges do more than Wyoming. Eight of the nine institutions of higher education in Wyoming are community colleges, and serve more students than the only four-year institution in the state. In many communities, they are the largest employer and the primary economic driver. Without them thousands of Wyomingites would either be forced to

go out of state or would have no access to higher education at all.

At a time when public funding for higher education is decreasing, no other type of institution of higher education is being asked to do more and to do it with less. Community colleges are being asked to help retrain our workforce and fulfill the President's 2020 First in the World goal. We know that a postsecondary education is essential to success in today's workforce. This is especially evident from labor market data which report that for persons with associates and bachelors degrees the unemployment rate is consistently below that of the national average and well below that of individuals with no college at all.

At the same time, community colleges are increasingly educating a larger and more diverse population of students than the rest of higher education combined. According to Education Sector, 43 percent of today's undergraduates attend community colleges. These students are older, from lower income brackets and more likely to be independent than their colleagues at four-year public and private institutions.

Unfortunately, if things do not change dramatically, I am concerned that our system of higher education is going to crack under pressure. Since 2008, federal funding for student aid programs has been increased dramatically and in a way that draws in more and

more students. This has been a needed boost for thousands of students during one of the worst recessions in American history. However, it has also strained the limits of federal student aid programs, and without change, is simply unsustainable.

We have already seen significant problems in sustaining the Pell Grant program. In the past ten years, funding for the Pell Grant program has gone from roughly \$7 billion to over \$40 billion and the number of students served has nearly tripled. However, this dramatic increase in funding has proven insufficient to meet the needs of the thousands of new students made eligible by changes to the program. Over the past two years, Congress has been forced to make a number of ad hoc changes

in order to fill funding gaps. I might add that most of these changes were not done through the HELP committee, but instead through budget and appropriations riders.

Little thought was given to how these policy changes would impact students, and the only concern was given to maintaining the maximum grant. What we ended up with was the elimination of year-round Pell Grants and the elimination of ability-to-benefit from federal aid programs. In other words, efforts to preserve Pell have come at the expense non-traditional and community college students.

Despite these efforts, we've only provided temporary relief. According to the Congressional Budget Office,

there is currently enough funding available to maintain the maximum grant for the next two years. However, in fiscal year 2014, the money dries up and Pell will need at least \$8 billion in additional funding simply to maintain the maximum grant at its current level.

I commend the President for prioritizing the increasing cost of college and seeking to strengthen community colleges. In particular, I think his proposals to give students better information to help them make decisions are good. However, I have a number of questions about his proposed \$8 billion Community College to Career Fund. The President's budget proposal provided no details about how this money would be distributed, whether it would go directly to

schools or to states, how the fund would work, or where the money would come from.

I am also disappointed that many of the other proposals in the budget appear to just be spending more money without doing anything to address the underlying systemic forces that are straining federal student aid programs. We cannot afford to wait two more years to address another shortfall in the Pell program. If we do, I believe that whatever is done will again be at the expense of your students.

So, I am going to leave you with a request. Help us find real solutions to the dilemma we are in. And ask yourselves, what do we want our student aid programs to do? Who should these programs be

serving? Do we need a new program targeted only at non-traditional students? Do existing programs need to serve more students, or do they need to provide a larger benefit to fewer students?

The federal role in higher education is not going away, but it will be less and less effective if we don't begin making meaningful changes now.

Thank you again, and I'm happy to answer any questions.