

**Senate Committee on Commerce, Science and Transportation
Subcommittee on Competitiveness, Innovation, and Export Promotion
Hearing on “Promotion American Competitiveness: Filling Jobs Today and
Training Workers for Tomorrow”**

**Testimony of Martha Kanter,
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Madam Chairwoman, Ranking Member Blunt, and Members of the Committee:

Thank you for inviting me to testify today on the Department of Education’s work as it relates to community colleges and educating our nation’s youth and adults to ensure our nation’s competitiveness. Our work in this area is critical to creating an America that is built to last.

The President stated in his FY 2013 budget remarks on February 13, 2012 at Northern Virginia Community College that community colleges are examples of what is best about this country. As he stated, there is a promise that the knowledge, skills and training that a person can acquire at a community college will enable students to achieve the American promise: the promise that if you work hard, you can do well enough to raise a family, own a home, send your kids to college, and save for retirement.

We believe that an affordable, high-quality college education is fundamental to America’s future: to our economic and social prosperity and security. President Obama established a bold goal for our Nation to have the highest proportion of college graduates in the world by 2020. The President, the Secretary, and I deeply believe that achieving this goal, by providing Americans with the opportunity to access and complete high-quality postsecondary education is vital if our Nation is to prosper in a global economy that is predicated on knowledge and innovation.

Dr. Jill Biden, who teaches at a community college, is also one of community colleges’ biggest champions. She calls community colleges “America’s best-kept secret.” The Obama Administration’s vision means that community colleges will no longer be a best-kept secret— we envision community colleges assuming a larger role to fulfill the American promise by educating and training our Nation’s workers, its youth, and all those who are seeking employment for the jobs of the future.

Background on Community Colleges

There are 1,167 community colleges in this country.¹ But that doesn’t mean there is one single model for all community colleges to follow. Rather, they are flexible institutions with several core missions to serve various constituencies in a range of general education,

career-technical education and basic-skills programs. For some, community colleges are the first step along a path that leads to a bachelor's degree at a university; for others they are a place to get a certificate or associate degree in a technical field. Or they may be a place to get just a few additional courses that will help a worker keep his or her skills current and in demand. But regardless of each student's goal, community colleges are charged with building the economic and civic pipeline in their local communities and regions.

Community colleges are the on-ramps to postsecondary education for diverse groups of students seeking education and training. Nearly half of our Nation's students enroll in a community college for a variety of reasons: to acquire job skills, either to stay current with the workforce or to obtain the basic requisite skills needed to succeed in a career; to attain an associate degree, certificate, or industry-recognized credential, or to complete the first years of a longer degree program at an affordable cost. A recent report from our National Center for Education Statistics says that community colleges have larger percentages of nontraditional, low-income, first-generation and minority students than our nation's four-year colleges and universities.ⁱⁱ Community colleges educate half of all Hispanic and Native American students and nearly half of all students who are African American or Asian/Pacific Islanders.ⁱⁱⁱ Community colleges are also a major source of education for nontraditional students, such as women re-entering the workforce, displaced workers, and thousands of returning veterans. Today, the average age of a community college student is 28.5 years^{iv}, and 59% of the community college student body attends community-college full-time while working part-time.^v

Importance of higher education

Now I would like to provide you with some significant data on community college and university graduates that underscore why our Administration is adamant about the need to continue our investment in higher education. First, the evidence on the importance of higher education is unequivocal – individuals with postsecondary credentials earn more money and are much less likely to be unemployed than individuals with only a high school diploma or less. Not only do those with two- and four-year degrees earn substantially higher salaries than those without any postsecondary degree, but they are much less likely to experience unemployment. The proportion of jobs that require some postsecondary education is estimated to increase from 59% to 63% in the next decade.^{vi} To remain competitive in today's global economy, the United States needs more workers with postsecondary skills and credentials.

We know that the challenge before us is great. Estimates from Georgetown University's Center on Education and the Workforce show that we are projected to produce 3 million fewer college graduates than will be needed by our economy within the next decade—a gap that could make it much harder for American employers to fill high-skill positions. Worse yet, this gap will hamper innovation that could open up new industries and sources of future jobs.

But if we act now, we can address the gap between employer needs for, and the availability of, postsecondary-educated workers. According to the Center, by adding an additional 20 million postsecondary-educated workers over the next 15 years, our national level of educational attainment would be comparable to the best-educated nations, help us meet the economy's need for innovation, and reverse the growth of income inequality.

That is why this Administration has worked with Congress and taken a number of steps over the last three years to: 1) help support and expand capacity at community colleges to ensure our economic competitiveness; and 2) address the challenge of helping to keep college affordable and accessible.

To build capacity at community colleges, the Administration has:

- Invested \$2 billion over four years through the Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grant Program. This historic investment already awarded \$500 million last year to help community colleges dramatically expand their capacity and support enhanced partnerships between community colleges, industry, and local Workforce Investment Boards to design and offer programs that provide career pathways for individuals in high wage, high skill industries. These programs prepare students for jobs in science, technology, engineering, and mathematics (STEM) fields such as transportation and advanced manufacturing. And resources produced will be open source, allowing even those schools that don't receive funding to take advantage of cutting-edge materials that are developed. While the TAACCCT program is administered by the Department of Labor (DOL), the Department of Education works in partnership with DOL to leverage our technical expertise and existing resources to increase the number of individuals with degrees, industry recognized credentials and certificates. The competition for the second round of \$500 million in the TAACCCT initiative is underway right now.
- Supported and participated in the launch of Skills for America's Future, an industry-led initiative to enhance employer partnerships with community colleges. This program will build a national network and maximize industry-driven workforce and economic development strategies to strengthen community college career-technical programs and increase the placements of job-seeking Americans into in-demand jobs.
- Convened the first-ever Community College Summit at the White House in October 2010, bringing together an unprecedented number of higher education, industry, research, military and workforce and economic development leaders, to discuss and identify solutions to everyday challenges facing community colleges. Building on this historic convening, the Department of Education led five regional Summits to further engage local community college boards, faculty, administrators, students, businesses, community partners, and other stakeholders in helping students reach their academic and career goals.

- Launched a series of peer-led webinars to deliver professional development and technical assistance to large community college audiences. The Department of Education's 2012 community college webinar series offers webinars on topics such as strengthening employer partnerships, academic alignment between high schools and community colleges, building career pathway programs that help bridge the needs of adult learners and improving developmental education -- all to help these institutions build capacity by modernizing their courses, building more robust partnerships with industry and deploying evidence-based strategies to increase community college retention, persistence, graduation and employment numbers and rates.
- Issued a joint letter, along with the Departments of Labor and Health and Human Services, affirming the mutual commitment of these agencies to career pathways approaches, generally referred to as *a series of connected education and training strategies and support services that enable individuals to secure industry relevant certification and obtain employment within an occupational area and to advance to higher levels of future education and employment in that area*. This letter also encourages State and local governments, and their partners, to coordinate resources to ensure a streamlined service delivery system across various funding sources in the development of career pathway strategies that result in employment. We believe that the efforts of these three Federal agencies working together toward a common goal is a powerful signal. It will encourage collaboration at the State and local levels to increase opportunity and employment and to advance our Nation's economic competitiveness.
- Proposed to strengthen the education and career and technical skills pipeline for in-demand occupations in high-growth industries. The to-be-released Blueprint will be the Administration's foundation for the \$1.1 billion proposal for the reauthorization of the Carl D. Perkins Career and Technical Education Act of 2006. The Blueprint sets forth a vision to transform career and technical education. It will strengthen connections among high schools, community colleges and universities by ensuring that career pathways and postsecondary programs are closely aligned with labor-market needs to increase the number of college graduates with postsecondary degrees and certificates as well as industry certifications, that meet the workforce needs of our nation.

Lastly, the President's FY 2013 Budget builds on historic investments in community colleges by proposing a new initiative designed to improve access to education and job training nationwide. Through the Community College to Career Fund (Fund), the Budget would provide \$8 billion, administered jointly by the Departments of Education and Labor, to support State and community college partnerships with businesses to build a high-skilled national workforce and create pathways to entrepreneurship for 100,000 small business owners. In total, this investment would train 2 million workers with skills that lead to good jobs in high-demand industries that require highly-trained workers, including manufacturing, healthcare, IT and biotechnology.

The Fund would be an economic development strategy that serves the dual purpose of ensuring that community colleges have the necessary resources to train workers, and that employers in growth industries have the skilled workforce they need for positions that might otherwise go unfilled be outsourced overseas.

In addition to supporting community college-based training programs that provide workers with targeted training for jobs in growing industries, the Fund would also support on-the-job training opportunities, such as registered apprenticeships and paid student internships, allowing students to earn postsecondary credit for work-based learning. The fund will also support promising “Pay-for-Performance” strategies for training providers that include community colleges, community-based organizations and local workforce organizations to help Americans secure long-term employment after attaining their postsecondary education, training and credentials.

Finally, the Fund would also recognize that improving career training requires us to also address larger issues beyond institutions by supporting regional or national industry group efforts to develop solutions such as worker certification standards, wide-scale adoption of proven training technologies, and industry-education collaboration to strengthen career pathways. The Fund will enable Federal agencies to partner effectively with State and local governments, to accelerate the education and training of individuals. With this Fund, companies would be motivated to locate or stay in the U.S., where they will have ready access to a well-trained workforce who possess the knowledge, skills and work ethic required by employers.

In the area of college affordability and accessibility, the Administration:

- Invested more than \$40 billion in Federal Pell Grants over the past 3 years, extending Pell grants to 3 million more college students this year than in 2008 and raising the maximum Federal Pell Grant award to an estimated \$5,635 for the 2013 – 2014 award year – a \$905 increase per Federal Pell Grant since 2008. As you know, most of that investment was paid for by increasing efficiency in our student loan program.
- Working to make college loans more affordable through the “Pay as You Earn” proposal, which would enable an additional 1.6 million students to take advantage of a new option to cap student loan payments at 10% of a borrower’s monthly income starting as early as this year.
- Proposed to make the American Opportunity Tax Credit permanent, to provide a credit of up to \$10,000 for up to four years of education. Over nine million middle class and low-income families claimed the credit last year.

These historic investments in student aid has kept the net tuition and fees paid by families—the tuition and feeds they paid after grant aid—essentially flat over the last few years at approximately 80 percent of our nation's postsecondary institutions. Because of the Administration’s Federal investments, the net price of a four-year college education at one of our public postsecondary institutions has increased by just \$170 since the 2006-07

academic year. Significantly, the average net tuition and fees paid to attend a community college has actually decreased by \$840 over the same period.^{vii}

But we know that the Federal Government cannot single-handedly ensure worker competitiveness and college affordability, access, and success. The Administration, Congress, postsecondary institutions, States, industry and other stakeholders must all work together to build on the momentum of recent years to make sure that more Americans will have access to the Nation's growing employment opportunities through workforce education and training offered at community colleges, and that a college education is affordable and available to all who want the opportunity.

As the President has said, "in today's global economy, a college education is no longer just a luxury for some, but rather an economic imperative for all." The Federal Government, States, and colleges and universities must all work together to promote college access and affordability by reining in college costs, providing value for American families, and ensuring that America's students and workers can obtain and complete the education and training they need, when and where they need it. America must have a workforce prepared for the jobs of the 21st century and a society that will strengthen and preserve our democracy for our generation and generations to come. Our Administration stands ready to work with Members of this Committee on legislation to implement the President's proposals. We also look forward to working with States, colleges, and other stakeholders on this important agenda.

I am ready to answer any questions you might have. Thank you.

ⁱ <http://www.aacc.nche.edu/ABOUTCC/Pages/default.aspx>

ⁱⁱ <http://nces.ed.gov/programs/coe/analysis/2008-index.asp>

ⁱⁱⁱ <http://www.aacc.nche.edu/AboutCC/Pages/fastfacts.aspx>

^{iv} <http://nces.ed.gov/programs/coe/analysis/tables/2008-tabsa09.asp>

^v <http://www.aacc.nche.edu/AboutCC/Pages/fastfacts.aspx>

^{vi} <http://www9.georgetown.edu/grad/gppi/hpi/cew/pdfs/FullReport.pdf>

^{vii} http://trends.collegeboard.org/downloads/college_pricing/PDF/Trends_in_College_Pricing_2011_Average_Net_Price.pdf