

Testimony to the Pennsylvania House of Representatives Education Committee on Institutional Assistance Grants

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When I was a college student 40 years ago, the United States was number one in the world in the percentage of college graduates among its adult population.

Now, depending which survey you use, we're 9th or even 14th. One of six children, I was only able to graduate from college because I worked every summer and every academic year I attended college and because my home state, Michigan, provided scholarships to academically strong students like me whose parents were not able to pay for their children's tuition and who, like me, were attending private colleges. Pennsylvania has long followed the same policy. In addition to funding state-supported institutions, we have agreed that aid to deserving students at private institutions helps our commonwealth to create an educated workforce that fuels our future.

One important component of Pennsylvania's educational strategy has been to make good use of its private colleges and universities. Through PHEA grants, the

state has channeled money directly to deserving students. At the same time, Pennsylvania has supported those colleges and universities that particularly help financially needy students by providing these private institutions Institutional Assistance Grants (IAG's). IAG's go to private colleges and universities in proportion to the number of PHEA grantees among their students. In other words, IAG's are not given indiscriminately; they support the state's commitment to help lower income students earn degrees who would otherwise struggle to do so.

IAG's are an essential support for Elizabethtown College's commitment to help financially needy students attend college and graduate successfully. About 40 percent of our students are first generation college students. The schedules of many of our students remind me of my college days when I was working, going to classes, and trying to juggle getting assignments done while managing my work schedule. Half of our students work for the College, employed in dining services, facilities, the College Store, and dozens of other offices, while about another 30 percent of our students work off-campus for other employers. These students work to help pay the cost of their college education and to help defray their living expenses, even though the College provides as generous financial aid as we are able.

The College provides direct financial aid to over 90 percent of our students.

That's in addition to Pell grants, PHEA grants, and scholarships that students bring from elsewhere. We would love to provide even more aid, but our resources are limited. The \$336,952 in IAG funding that Elizabethtown College receives is one of the supports that allows us to provide as much financial aid as we do. Just to give you a sense of the scale of the IAG money for us, if the College had to raise an endowment to provide the equivalent amount of money as the annual allocation for IAG's, Elizabethtown College would have to raise funds to create an endowment of \$8.5 million. That's more than we raise for all purposes--our annual fund, construction projects, and endowment-- in one year. I assume you know what the definition of a college president is--"Lives in a big house, begs for money". The College lets me live in the big house, and I earn my keep by begging for a wonderful cause, but I really would rather not beg for another \$8.5 million when there are so many other pressing needs for scholarships, capital improvements, and support for our faculty.

I can assure you that colleges like mine try to help students use their financial aid dollars and employment earnings as carefully as possible. Even with all of the money from the College, PHEA grants, PELL grants, and other sources, and their employment, students still have to borrow to go to the College. Happily, because

we counsel them well, 97.8 percent of our students pay back their student loans without defaulting. Our students are a better credit risk, in other words, than homeowners, car buyers, or credit card holders.

But we can only manage all of this with strong support, and IAG funds are an essential component of that support. Without IAG funds, we would have to reduce our support for students, cut employees or operating expenses, or weaken the quality of our mentoring, advising, and teaching that makes our kind of education so successful.

The future of America depends on our ability to compete in a world where many other countries have acquired the highly educated workforce that we used to see as our country's unique strength. For Pennsylvania, as an older industrial region that is having to transform our economy in a high-tech world, education has never been more vital. I'm on the Board of Directors of the Lancaster County Economic Development Company. At the Company, we are constantly reminded of the crucial role that a highly educated workforce has played in moving forward other regions with whom we compete. Pennsylvania's commitment to higher education as demonstrated by the IAG's has never been more important. Our private colleges and universities are doing their part to ensure our

Commonwealth's future; please help ensure that the state's allocations continue to support that mission by maintaining the Institutional Assistance Grants.