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REVIVING OUR ECONOMY:

THE ROLE OF HIGHER EDUCATION IN JOB GROWTH AND DEVELOPMENT

Good morning Chairwoman Foxx,
and members of the Subcommittee:

I am David E. Nixon. I am the president of Monroe County Community College, and I would first like to welcome you to the campus in Monroe County, Michigan (Pop >200,000) ; the home of La-Z-Boy Furniture and Monroe Shock Absorbers. Manufacturing is in our DNA.

- The college is 50 years old and still affordable...with one of the lowest tuition rates in the region.
- Monroe County Community College is a nationally accredited institution of Higher Education with Record growth in enrollment until last year when enrollment declined 5-to-8% across the state.
- Funding challenges existed even with record enrollment which produces less than 30% of our annual budget. State appropriations are less than the tuition (12%)– challenged by dwindling state funding. Largest revenue stream for MCCC is a local tax for this district (originally 60% reduced in the Recession to less than 50%)

Regardless the faculty/staff and Trustees engaged in public/private partnerships to provide quality learning opportunities through the use of a variety of strategies.

- 9,000 students a year (4500 students in credit programs) and the remaining in certificate training programs associated with workforce development. The average age of our students is 25 which means the larger group of students is over age 21. A third of students range in age from 21 to 30. Others range up to age 50, but it is not uncommon for graduates at age 60.
- More than 70% students work outside the college and attend school part time. Only 36% attend classes' full time.

- Half of them qualify for some kind of financial aid (federal, state, and institutional funds) approximately 37% of MCCC students receive Pell Grants. Of the entire student population 43% of our students receive some type of Title IV financial aid (Pell, Stafford Loans, and Work Study)

HOW TO POWER THE 21st CENTURY WORKFORCE? Partnerships...Public/private dollars.... with the likes of a \$17 million dollar Career Technology Center producing high skilled workers for high skilled jobs. Opening this fall, state-of-the-art labs for nuclear tech, Solar, Wind, Construction, 3-D computer assisted drafting and design, computerized CNC operation, metrology (non-destruct-testing), Robotics, auto engineering and auto technicians, in addition to the celebrated Welding Center for Expertise all under one roof – serving as a proud example of public/private partnerships. The local capital campaign that has already resulted in an 86% commitment which includes the state, the college, and private donations from small and large businesses. Opens in August.

Similarly, 10 years ago, a similar Public/Private collaboration resulted in the construction of a \$12 million Instruction Center for Business Training and Performing arts –again a mix of public/private dollars with the largest single gift of \$2 million from La-Z-Boy Inc. for the naming rights. The state’s investment leverages private investors. The community wins.

Why all of this activity? It is still all about jobs. And it’s about jobs that keep students here in the county to make their homes and raise families.

It’s well-known that there is a worker shortage in Michigan, especially a shortage of those who possess high skills for high paid jobs – documented by the Workforce Intelligence Network (WIN)- - A consortium of eight community colleges in southeast Michigan in a collaboration with seven Michigan Works Agencies.

A shortage of welders MCCC COMPETED FOR a \$1.7 million Department of Labor grant for training/certifying 240 welders over a five-year period. At the end of the five year, 260 welders had been certified and the current need is for 100 more. The grant funded scholarships directly to MCCC without a cumbersome pass-through funding system as with other workforce training funds. The Welding student tuition was funded direct from the DOL grant managed by the college allowing certificate short term certificate training. There are still 100 job openings for high skilled welders.

A shortage of Nuclear Techs led to the creation of a nuclear tech program to serve the needs of DTE Energy, the largest employer in the county operates one nuclear plant...in the application for an additional nuclear plant right next to the current plant. MCCC responded with a Nuclear Tech training program in 5 YRS ago graduating more than 50 technicians completing since then.

Where do we get our expert advice?

ADVISORY COMMITTEES... More than 200 community members and “content experts” working professionals from the jobs-community meet every semester or more with faculty

leadership. Those “content experts” help us keep those programs in “state-of-the-art” delivery mode AND to solicit partnerships for student scholarships or technology upgrades.

Meanwhile four-year degree “partnerships” on campus offer baccalaureate degree opportunities in nursing, business, accounting, and early childhood education.

- Sienna Heights University (four year private) delivers classes on our campus --allows MCCC students to take Sienna Heights classes on campus at MCCC’s lower tuition rates.
- Eastern Michigan University offers a Bachelor of Science in Nursing on campus – attracting graduates from MCCC’s high quality nursing program.
- The most unique public/private partnership developed when MCCC and a local bank led the development of an outreach project to offer GED preparation for hundreds of county residents who are barred from higher education opportunities at the college for lack of a high school diploma. The bank provided the facilities and along with eight other community partners has managed to keep the facility open.

In conclusion? Partnerships are driving “higher education opportunities” at Monroe County Community College with the “focus” on student outcomes. What improvements could be made? – a more direct, less bureaucratized financial aid pathway to students like DOL Welding Grant.

What’s needed?...policies that give institutions more flexibility counseling and safeguards to ensure students understand their loan obligations, are academically prepared, and are able to keep loan borrowing in check. And to prevent “over borrowing.” We are prohibited from requiring additional loan counseling for students who appear to be over-borrowing or who are most at risk of defaulting.

I appreciate this opportunity to speak before members of Chairwoman Fox’ Subcommittee on behalf of students whose lives can be enriched by gaining the high skills for high pay jobs.

As a result, as Jim Clifton points out in The Coming Jobs War (2011), it’s all about” making stuff” and the more we make/manufacture, the stronger the country through gross domestic product. MCCC’s goal is to provide opportunities for our students to learn the skills needed for the high paying jobs.

Thank you for allowing me the time on behalf of Monroe County Community College.

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ADDITIONAL INFORMATION:

Pell grant funding is essential for qualified students – but better control can be maintained if community colleges are allowed to participating in the development of new guidelines. (more detailed suggested at the end of this report).

There are numerous NON CREDIT TYPE WORK RELEATED certificate type accelerated programs, typically a few weeks in length (the shorter than one-or-two year programs) the kind that lead to some of the high paid jobs “sooner than later.” Many do not qualify for workforce programs. One of them was a nine-week certificate program for Ophthalmic Assistants (entry level for Ophthalmologists). Students attended full time with few scholarships. More than 50 students have been placed.

The shortage of high skilled machinists in Michigan is the worst in 10 years.

The biggest bang for the buck is the funding directed to the students like the Welding Grant or GI Bill, rather than funding distribution agencies.

A barrier for many students are requirements that they need to attend school full time to get the tuition assistance as was the case in the recent Michigan Works administered program called No Worker Left Behind – or those Veterans on the GI Bill. Some have been denied because the need for earning a living while going to school prevents them from leaving current jobs...even though they may be low paid-low skill jobs. Our goal is to help them gain higher skills for higher pay.

Based on our experience here at Monroe County Community College and visiting with our enrollment managers who process those students --- my recommendation to the Subcommittee in re-writing Higher Education Act legislation is find ways to award students funding that accommodates their class schedule rather than tuition tied to a “semester” schedule.

Many need to work part time to support their family while enrolled in the Career Programs. The GI VRAP program requires full-time attendance for 10 month which challenges students who need to work while attending school.

The demands for high skills prompted a partnership with local high schools—reaching down into the high schools—bringing the high school students to campus for combined college credit and high school credit – supported by tax dollars already committed by the state for their high school education. (known as dual enrollment) or (early college). The talent for tomorrow – is in high school today.

MORE ON PELL GRANT CONTROLS

More detailed suggestions about Pell Control come from MCCC's Director of Financial Aid Valerie Culler who provided the following that the subcommittee members may wish to consider.

The primary control that financial aid administrators have been advocating for years for the federal government to put into place is a national tracking system for Satisfactory Academic Progress (SAP). One of the requirements for financial aid offices in administering Title IV funds is the monitoring of students' academic progress. All schools are required to monitor the same standards for Title IV aid:

- Students must maintain a minimum cumulative GPA of 2.0
- Students must complete 67% of their overall attempted credit hours
- Students will lose Title IV aid eligibility once they have attempted more than 150% of the credits required to complete their program of study

All of these SAP standards are in place to make sure that students who are receiving Title IV aid are on pace to complete a degree program timely. While all schools are required to monitor the same standards, the determination of a student's eligibility for Title IV aid is based only on the student's SAP status at the school the student is currently attending. The student's SAP status at a school the student previously attended is not a factor. What happens now is that when a student is denied Title IV aid at one community college due to failing to meet SAP standards, the student can transfer to another community college and begin with a "clean slate" and receive federal aid again. For example, if a student has failed classes at the University of Toledo and Owens Community College and no longer qualifies to receive Title IV aid at those schools, I cannot deny that student Title IV aid at MCCC based on his/her SAP status at UT or OCC. This allows students to "swirl" from community college to community college and continue to receive Title IV aid, even when the student has not demonstrated academic progress at any of the schools.

The U.S. Department of Education already has systems in place that track students' entire history of Title IV aid usage. While there would be some programming involved in creating a national tracking system for Satisfactory Academic Progress, I'm sure much of the functionality already exists, and because schools are already held to monitoring the same standards for SAP for Title IV eligibility, the implementation of a national tracking system would not be that much of an administrative burden on financial aid offices.

While the U.S. Department of Education has taken a step for 2013/14 by flagging students who have receive Pell Grant funds at three or more institutions within the past two or three years, this practice still gives students an opportunity to "jump" between multiple schools and receive a significant amount of Title IV aid before they are caught. A national tracking system for SAP would allow us to catch these students much earlier and hence lessen the abuse of Title IV aid. It is also important to keep in mind that for students who do not meet SAP standards at a school, the regulations do allow the students to appeal to the Financial Aid Office and document that the student did not meet SAP standards due to extenuating circumstances, which have since been

resolved, so there is already a process within the SAP monitoring that gives students who legitimately had serious hardships during a semester a second chance.

Other controls that could reduce waste/fraud:

- 1) Give financial aid offices more authority to limit loan borrowing. We see students who transfer to MCCC and have already borrowed large amounts of loans at other schools, and we have no authority to deny them their maximum loan eligibility for the term, even when they have a Pell Grant that pays their costs in full.
- 2) The Department of Education needs to give better guidance on whether or not schools are allowed to divide Title IV aid payments up in multiple disbursements. Right now we get a mixed message from the Department of Ed. We've been told that it is okay to do this for students in distance education classes, but at the same time schools are still held to the requirement of giving students access to their Title IV refunds early in the semester, which paying out aid in multiple disbursement could prohibit. Hence, financial aid administrators are reluctant to move to a practice of multiple disbursements, because of concerns about remaining in compliance with the rules about giving students access to their funds timely.
- 3) Put more funding into the Work Study program. It is critical to fund the Pell Grant program, but I think Federal Work Study is a great source of self-help financial aid that is often overlooked. Students earn this aid and develop skills that give them an edge in the job market when they leave school.

With my written testimony, I am attaching documents that further explain the Workforce Intelligence Network (WIN).

“Employers say talent is their number one need to grow or expand their businesses,” said Lisa Katz, WIN Executive Director, “as such, we know that the key to economic develop is talent development, including fostering creativity and education of Michigan’s youth.” A testament to that enthusiasm and commitment is evidenced by the construction currently underway on campus for a new Career Technology Center that will transform Monroe County’s workforce through hands-on instruction and access to cutting-edge equipment and technology. But “they must be good jobs,” says Jobs Wars author Jim Clifton, CEO of the prominent Gallup polling giant...who suggests “good” jobs are being the new currency for world leaders. And he challenges us in higher education that “students want education that results in GOOD jobs” and that is evident right here in Michigan as automakers and others are tooling-up for the new economy – with high energy workplaces, requiring high skilled hi paid workers.

WIN has learned that the job demand in the areas of information technology, advanced manufacturing and healthcare, as evidence by the number of employer job postings, has been substantial to the point where employers are significantly challenged in filling positions. Monroe County Community College is addressing the skills shortage in a number of ways. For Monroe County Community College, the advantage of partnering with the Workforce Intelligence

Network is having access to sophisticated data gathering research software that looks at the occupational demand and the skills, educational credentials, and experience needed to work in those occupations. While much of our conversation has been focused on manufacturing, the current list of high-demand jobs include radio mechanics, vet techs, diagnostic stenographers, physical therapists, med equipment repairs, cardiovascular techs, and environmental techs. But the truth remains there is an extreme machinist shortage – the most extreme in ten years in southeast Michigan.

David E. Nixon