

Executive Summary

The Economic Impact of Rural Pennsylvania Community Colleges

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This research examined the role and economic impact of community colleges in rural Pennsylvania to help inform state policy considerations. The research team gathered publicly available data, and conducted telephone interviews with 16 community college employees across six community colleges and 10 locations as well as with five local industry leaders with active relationships with rural community college locations.

The researchers visited seven rural community college locations that are part of two community college systems, and conducted in-person interviews with 27 community college employees and seven community members. The research team analyzed the data collected to identify broad and comprehensive themes among interviewees.

While six community colleges participated in the qualitative portion of the study, five community colleges shared data for the quantitative research. These data included detailed operating budgets, with calculations for capital and labor expenditures, enrollment statistics, full-time equivalent (FTE) employment, facility details, and other data they voluntarily provided. These five colleges represented the majority of rural community college sites in Pennsylvania.

The research team used IMPLAN to produce estimates of the economic impact of rural Pennsylvania community colleges.

Research Findings

College Locations

Rural community college locations can be classified broadly into two types: a college hub and

satellite sites. The college hub is what is commonly referred to as a college's "main campus." Satellite sites are smaller locations that extend opportunities to individuals in other rural communities. All rural community college locations in Pennsylvania promote equity through financial, educational, and geographic access. For example, the research participants described dual enrollment, where eligible high school students can take college-level courses, and the Workforce & Economic Development Network of Pennsylvania (WEDnetPA) program as pivotal programs at rural community colleges that provide access to valuable resources in their communities.

According to the research, rural community colleges are invested in their communities, yet they face many challenges. Additionally, rural community colleges do not have access to enough resources to meet their needs. If rural community colleges had access to adequate resources, they could develop additional partnerships with local industry and work to increase interest in technical fields.

Moreover, the decentralization of community colleges offers maximum flexibility and responsiveness to community needs, but it also creates unnecessary competition among community colleges and among community colleges and publicly funded universities.

Economic Impact

The study sample of rural community college sites varied in size, but represented the majority of rural Pennsylvania community college sites. Collectively, the study sample of Pennsylvania rural community colleges contributed an estimated 543 jobs, \$31.9 million in value-added economic activity, such as Gross

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This project was sponsored by a grant from the Center for Rural Pennsylvania, a legislative agency of the Pennsylvania General Assembly.

The Center for Rural Pennsylvania is a bipartisan, bicameral legislative agency that serves as a resource for rural policy within the Pennsylvania General Assembly. It was created in 1987 under Act 16, the Rural

Revitalization Act, to promote and sustain the vitality of Pennsylvania's rural and small communities.

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Regional Product (GRP), and \$50.1 million to the total output of their local economies.

The research team found that, on average, rural sites (excluding the largest, outlier sites) support about 15 jobs, contribute \$722,000 in value-added GRP, and generate about \$1.25 million in total output within their local economies. However, this impact does not include the future impact of students who use the valuable skills and credentials provided by community colleges to further pursue higher education, find employment, and contribute to Pennsylvania's economy.

Policy Considerations

Rural community college employees have developed the needed relationships to make the most of state resources while minimizing waste. For instance, a rural community college administrator was able to coordinate training opportunities for 10 local companies with similar training needs, which translated into the industry partners paying \$1,000 each rather than \$10,000 each. Therefore, the researchers recommend the continued funding of the WEDnetPA program and that rural community college leaders serve as administrators of the program.

Another way to capitalize on government partnerships is to expand the existing rural community college location typology to include the concurrent-use campus model, where community colleges and the Pennsylvania State System of Higher Education universities share a location to maximize public spending and minimize student barriers. This could also enhance the utility of the underused rural community

college locations and elevate their status within the community.

Increase Funding for Rural Community Colleges

Chapter 35 of Pennsylvania Code 22 requires community college operating costs to be divided into thirds, with equal contributions from the state, local sponsors, and students. This law has not been enforced for over a decade, shifting the cost disproportionately to community college students. Therefore, the researchers offer that Pennsylvania should abide by the current statute and provide the required financial resources to community colleges.

Additionally, the base funding for Pennsylvania community colleges has not been updated since 2005. The researchers recommend that the base funding be reevaluated and be consistently reevaluated every decade moving forward.

Rural community college students, like the institutions that serve them, need access to adequate resources. The researchers recommend that the state subsidize local sponsor fees for rural community college students who live outside of local sponsorship areas, and increase state funding for dual enrollment.

Public Higher Education Funding Commission

The recently appointed Public Higher Education Funding Commission (Act 70 of 2019) is composed of 19-members, including state senators, state representatives, and representatives from Governor Wolf's administration. Creating a more centralized system of higher education has the potential to address the structural issues identified in this research.

However, best practices advise including key stakeholders in higher education commissions. The researchers recommend that the commission amends its current membership to include rural community college leaders. These leaders can provide guidance to accurately evaluate the important equity, access, and investment of rural community colleges.

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