

Testimony of Chellie Cameron President and CEO The Chamber of Commerce for Greater Philadelphia

Performance Based Funding Council Hearing Temple University Charles Library | Event Space, Room 102 1900 N. 13th Street, Philadelphia, PA 19122

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Thank you, Chairman Topper and members of the Performance Based Funding Council for the opportunity to testify before you today. My name is Chellie Cameron, President and CEO, at the Chamber of Commerce for Greater Philadelphia. I am also here today with Nikki Pumphrey, our Vice President of Talent and Workforce, at the Chamber.

First, I would like to commend the Pennsylvania General Assembly for passing Act 90 of 2024, establishing this Council to develop performance-based funding metrics for our state-related universities. This aligns Pennsylvania with a growing number of states that recognize the importance of linking higher education funding to measurable outcomes that benefit students, employers, and our economy.

At the Chamber, we work to establish our region as a top global destination for business and a leader in inclusive growth. We hear consistently from our members that access to skilled talent is a key driver of their business. As such, we seek to build bridges between industry and the organizations that prepare and train our current and future workforce. Particularly in higher education, we work through our Regional College and University Presidents' Alliance to bring together leaders committed to education as an economic driver in Greater Philadelphia. This unique collaboration between business and higher education provides us with valuable insight into the metrics that matter most for workforce development.

It is particularly fitting that we are having this discussion at Temple University, an institution that exemplifies the impact of state-related universities on Pennsylvania's workforce and economy. Due in part to a history of state support, Temple has evolved into an R1 Carnegie-classified research institution that serves over 30,000 undergraduate, graduate, and professional students. The university's dedication to career preparation is demonstrated through its clear path to graduation initiatives and its position among the top 50 public schools in national rankings.

Temple University exemplifies how Pennsylvania's state-related universities' distinct missions must be considered within the framework for performance-based funding metrics. Temple explicitly prioritizes preparing students for careers and active citizenship while maintaining a steadfast commitment to accessibility and affordability. This mission-driven approach transcends traditional academic boundaries, extending beyond STEM and healthcare sectors to include substantial contributions to the vibrant Greater Philadelphia arts community. By demonstrating such multifaceted impact, Temple underscores the Performance Based Funding Council's need to heavily consider each university's unique institutional mission when developing comprehensive evaluation metrics.

<u>Recent data from the Strada Education Foundation</u> underscores the urgency of our work. Currently, only 68% of Pennsylvania's bachelor's degree graduates and 60% of associate degree graduates achieve a positive return on their educational investment within ten years. Overall in Pennsylvania, this means that a staggering 33% of graduates saw no financial benefit as a result of obtaining a degree. And yet, it is estimated that 60% of Pennsylvania jobs require workers with some form of higher education, while only 53% of Pennsylvania adults have it. This indicates a clear need to strengthen the alignment between higher education outcomes and workforce needs.

These figures point to the critical need to manage student debt and increase the value proposition of higher education. Innovative approaches like Temple's "Fly in 4" program help students graduate more efficiently. State funding helps reduce student borrowing, making higher education more accessible and financially viable.

Based on nationwide data and our experience representing both talent providers and employers as members, I would like to highlight several success-oriented outcomes that we believe should be considered as key performance metrics within Pennsylvania's framework:

First and foremost, **degree completion in high-demand fields** should serve as a key metric. There are several areas where Pennsylvania faces significant workforce gaps, including data analytics, finance and accounting, healthcare and technology. More so, prioritized workforce areas should also align with Pennsylvania's current economic development strategy to leverage high-growth, high-value sectors - Agriculture, Energy, Life Sciences, Manufacturing, Robotics and Technology - where Pennsylvania has both a deep competitive advantage and significant potential for growth, especially in high-paying, family sustaining jobs.

A significant number of states have implemented performance-based funding models, with many focusing on degree attainment to align with workforce needs. For employers, this translates directly to an available talent pool to fill open positions in critical growth sectors of our state economy.

Second, **retention and graduation rates** deserve significant weight. The business community benefits when students not only enroll but complete their degrees. High retention rates indicate program quality and student support, while improving graduation rates year over year shows institutional commitment to student success. Strada Education Foundation data shows that less than 25 percent of graduates receive timely information, guidance, and support on education-to-career pathways, suggesting significant room for improvement in supporting students through to graduation.

Temple's Bachelor of General Studies degree program serves another good example of how staterelated universities are developing unique ways to improve retention and graduation rates that needs to be considered in any performance-based funding model. Temple is creating pathways to degree completion for workforce members seeking professional advancement and personal educational goals by offering a degree specifically for adult learners with prior college credits who are ready to complete their undergraduate degree.

Third, **employment rates of graduates** should serve as another core metric. While many states track this, we believe it deserves particular emphasis in Pennsylvania's model. Pennsylvania's college-level employment rate would demonstrate whether graduates are being equipped with the necessary skills to land quality jobs.

In addition, members of the Performance Based Funding Council should also consider two key bonus metrics:

Equity in educational attainment: Recent data from the State Higher Education Executive Officers Association (SHEEO) shows that many states incentivize serving Pell-eligible and academically underprepared students. This aligns with our Chamber's commitment to inclusive growth and helps expand the talent pipeline. In addition, college affordability represents an important factor that encourages participation from lower-income students.

Research activity: We suggest highlighting not just research grants and public and private investment that state-related universities can attract to Pennsylvania, but also the innovative economic impact of university research. Temple University entrepreneurs, for example, are successfully spinning out businesses and start-up companies based on scientific research, translating new technologies and therapeutic discoveries from laboratory research to marketplace application. This approach demonstrates how university research directly contributes to economic growth and breakthroughs that support our quality of life.

The Chamber stands ready to partner with this Council and our state-related universities to implement an effective performance-based funding model. We believe this effort will strengthen the connection between higher education outcomes and workforce needs, ultimately enhancing Pennsylvania's economic competitiveness.

Thank you for the opportunity to provide this testimony. I welcome any questions.