

**TESTIMONY BEFORE THE
HIGHER EDUCATION AND EMPLOYMENT ADVANCEMENT COMMITTEE
LEGISLATIVE OFFICE BUILDING
MARCH 12, 2015**

My name is Jennifer Herz and I am Assistant Counsel for the Connecticut Business and Industry Association (CBIA). CBIA has been representing Connecticut's employers for 200 years and our goal is to foster a dynamic business climate. Our members include businesses from across the state of all sizes and industry types and we are proud to say the vast majority of our members are small companies employing less than 50 people.

CBIA submits this testimony in support of HB 6919 An Act Concerning Outcome-Based Financing.

This bill establishes a taskforce that is charged with developing a strategy for outcome-based financing of higher education. The taskforce is directed to align its strategy with the goals and recommendations of the Planning Commission for Higher Education (the "Commission").

The Commission was established under statute and recently created a strategic plan addressing: (i) the impact of demographic, workforce and education trends in higher education; (ii) set goals to increase the number of degrees and certificates completed and the number of individuals entering the workforce and address the achievement gap; (iii) examine and suggest changes to funding policies, practices and accountability, and (iv) recommend how institutions can expand their role in the state's economic growth.¹ Here is a link to the Commissions full report:

<http://www.cbiam.com/govaff/pdf/2015/highereducationcommission.pdf>

The Executive Director of the CBIA Education Foundation, Judy Resnick, co-chaired this Commission with Representative Willis. Judy's intimate involvement with this Commission demonstrates the importance of the next generation of talent to Connecticut's employers.

Connecticut employers appreciate the highly skilled and educated workforce in Connecticut and the Planning Commission's goals and recommendations are designed to ensure Connecticut remains a top talent state. Projections tell us that by 2025 Connecticut's economy will require a workforce in which 70% will have some education beyond high school.²

¹ Strategic Master Plan for Higher Education Connecticut (February 20, 2015) page 1

² Strategic Master Plan for Higher Education Connecticut (February 20, 2015) page 5.

The Planning Commission's goal is to ensure Connecticut prepares its students for successful careers and meets the needs of Connecticut's employers.

Specifically in regard to this bill, the Commission identified Finance Policy as a barrier to the long term goals of the Commission because of a lack of a cohesive strategic plan. This bill will address the concerns of the Commission and support a productive discussion to establish such a plan.

Specifically the Commission identified 3 areas of concern in regard to finance policy³:

- Current policy protects the status quo instead of strategically investing or providing incentives for efforts on state priorities
- The central financial tools – tuition, financial aid and state appropriations, improvements to institutional productivity – are used separately instead of a joint mechanism
- There is limited recognition of the role of non-public institutions for affordability and sustainability

CBIA urges your support of HB 6919 because it will address the finance policy barrier identified by the Commission and help create a path to successful implementation of its goals. Thank you for the opportunity to submit our comments and we look forward to working with you on this matter.

³ Strategic Master Plan for Higher Education Connecticut (February 20, 2015) page 10.