

Draft of Brian Calley Testimony on HR. 6129 & 6130
House Appropriations Committee, August 17

Mr. Chairman and Members of the Committee, my name is Brian Calley, and I am here in my capacity as President & CEO of the Small Business Association of Michigan.

In the spring of 2019, seven business organizations—the Michigan State Chamber, Business Leaders for Michigan, the Michigan Manufacturers Association, the Grand Rapids Chamber, the Detroit Chamber, Talent 2025, and SBAM—communicated to the Governor and Legislature their strong support for enacting the Reconnect program. We did so because our members were confronting a severe shortage of skilled workers. We believed providing incentives for adults in the workforce to go back to college to acquire skills in demand in their local communities represented an effective way to help close Michigan’s skills gap—a gap that has only gotten worse owing to the pandemic.

However, at that time, we indicated that our support was conditioned on a commitment to make sure the Reconnect program would be held accountable. At our urging, language was put in the Reconnect statute requiring that each community college annually provide publicly available data on the persistence and completion rates of Reconnect enrollees at their institution and the measures each college was taking to improve those outcomes. Transparency was a good first step.

I am here today to support HR.6129 and 6130 because they would implement a second critical step in ensuring Reconnect serves those adults who enroll, the business community, and the taxpayers—establishing annual numerical degree completion goals that must be met each year for a community college to remain in good standing with the program. As you know, Reconnect provides up to four years of last-dollar tuition funding for Michiganders who are 25 or older and do not possess a college degree. Prior to the start of Reconnect, the four-year adult degree completion rate for Michigan community colleges was 25%. Over the coming decade, we must at least double that completion rate for Reconnect students funded with state dollars to earn an acceptable return on the state’s investment.

The two measures before the Committee, championed by Representative Ben Frederick and Representative Sarah

Anthony, establish annual improvement goals for community colleges that are ambitious but achievable given the completion rates we see in other states. Those colleges with adult completion rates currently below 30% would be required to increase the completion rate of the Reconnect class entering in 2023 by 3 percentage points after four years in 2026, and 3 additional percentage points for each succeeding class. For those colleges with current adult completion rates between 30% and 50%, the annual improvement goal would be 2 percentage points. And for those currently at 50% or above, the annual improvement goal would be 1 percentage point. Achieving these improvement goals would enable each Michigan community college starting at their current level to graduate their Reconnect students at a 50% rate or better at the end of a decade.

For us at SBAM, maintaining the numerical goals proposed in these bills at the prescribed percentage point increases is critical to the accountability we seek. The legislation must include strong incentives for individual colleges to meet these outcomes, though we are open to alternative approaches.

In addition to these important accountability measures, HR 6029 and 6030 contain other important provisions. I'll turn it over to my colleague, Kevin Stotts, the CEO of Talent 25, to review those with you. Thank you for this chance to appear before you.

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