From Smooth Sailing to A Perfect Storm

The American Community College Story
Smooth Sailing through fifty years

- Commanding an increasing share of the higher education market
  - 1970: 25% of enrollment/9% of degrees
  - 1990: 36% of enrollment/9% of degrees
  - 2004: 36% of enrollment/11% of degrees

- Serving numerous “community” needs

- And doing so inexpensively
Smooth Sailing through fifty years

- Serving numerous “community” needs
  - Academic Transfer
    - 60% of California Students
    - 55% of CSU Grads; 28% of UC Grads
  - Workforce Development
    - Up to 50% of Associate Degrees
    - Other credentials (certificates and diplomas)
    - Customized Training Programs
  - Enrichment
Smooth Sailing through fifty years

- And doing so inexpensively

<table>
<thead>
<tr>
<th>Instruction Costs Per FTE</th>
<th>California</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research Extensive</td>
<td>$20,338</td>
<td>$12,920</td>
</tr>
<tr>
<td>Masters I</td>
<td>$9,428</td>
<td>$8,949</td>
</tr>
<tr>
<td>Community Colleges</td>
<td>$7,073</td>
<td>$7,417</td>
</tr>
</tbody>
</table>

Source: SHEEO – SHEF from IPEDS
Consequences of Smooth Sailing

- Community Colleges Appear
  - Responsive to Community Needs
  - Nimble enough to change
  - Inexpensive
  - Non-arrogant
- The Result – the Darling of Political Leaders
The Perfect Storm

- Demand likely to exceed supply
- The nature of the demand increasing the difficulty of accomplishing the task
- Limited financial capacity to respond
The Perfect Storm—The Demand Wave

- Higher Ed’s Aberrant Behavior on Supply & Demand
  - Mission
  - Cost of Expansion
  - Quest for Prestige
- Community Colleges Expected to Provide the Relief on Supply.
  - Impact varies greatly throughout the U.S.
    - Extreme in Southwest; virtually nonexistent in Northeast and Midwest
The Perfect Storm—The Increasingly Difficult Clientele to Serve

- An Increasing Share from Communities Higher Education Has Not Well Served in the Past
  - From Majority to Minority High School Grads
    - West in 2007-2008
    - South in 2017-2018
  - In Next Decade
    - 200,000 fewer White H.S. Grads in U.S.
    - 200,000 more Hispanic H.S. Grads
    - More likely to attend Community Colleges
    - Less likely to progress to success
The Perfect Storm—The Increasingly Difficult Clientele to Serve

- 61% Need Some Remediation – Many Never Progress Beyond Remediation

- Lots of Noise Around Graduation Statistics:
  - Nancy Shulock
    - 24% of degree seekers complete in 4 years
    - Only 18% for Latino Students
  - You do the math: (04-05 statistics)
    - 118,419 cert., diploma, or deg in CA CCs
    - 1,390,993 students enrolled
The Perfect Storm—The Financing Dilemma

- Inexpensive or Cheap
- On Price
  - Low Tuition & Fees (06-07)
    - U.S. Average: $2,272
    - California: $690
  - But Tuition Is Only Part of the Story
    - Zumeta Total Student Budget (FT, Dependent)
      - U.S. minus California: $9,884
      - California: $9,224
## The Perfect Storm—The Financing Dilemma

### Zumeta on Capacity to Pay

<table>
<thead>
<tr>
<th></th>
<th>10(^{th}) %</th>
<th>50(^{th}) %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dependent</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>US minus CA</td>
<td>$15,554</td>
<td>$53,120</td>
</tr>
<tr>
<td>California</td>
<td>9,084</td>
<td>49,805</td>
</tr>
</tbody>
</table>

|                  |                |                |
| **Independent**  |                |                |
| US minus CA      | $4,350         | $27,291        |
| California       | 2,990          | $29,013        |
The Perfect Storm—The Financing Dilemma

- **On Cost**
  - Average Funding for Instruction per FTE (U.S.)
    - Community Colleges: $7,417
    - Bachelors Colleges: 8,423
    - CA Community Col.: 7,073
  - How do you serve well the most difficult to serve clientele with fewer resources.
The Perfect Storm -- Show Me The Money

State and local surplus or shortfall as a percent of baseline revenues

Source: National Center for Higher Education Management Systems (NCHEMS)

Western Interstate Commission for Higher Education
Policy Impact on the Perfect Storm
-- Riding the Waves back to Calm Waters

- Preparation -- The High School to College Disconnect
  - High School Exit Standards & College Entrance Requirements Are Not Aligned -- The Impact of Local Control
    - Evidence: The Bridges Project @ Stanford – Mike Kirst
    - Some promising new practice
      - The CSU alignment project
      - The federal State Scholars Initiative - the value/imperative of a rigorous curriculum
      - Blended financial aid programs
Policy Impact on the Perfect Storm
-- Riding the Waves back to Calm Waters

- Preparation -- The High School to College Disconnect

- Bottlenecks in the Pipeline
  - Blockages within the Community Colleges
    - Evidence: The Equity Scorecard – USC/Estela Bensimon
  - 2yr to 4yr: Articulation
    - A Mixed Story
    - Evidence: Jane Wellman’s excellent work – policy matters.
Policy Impact on the Perfect Storm
-- Riding the Waves back to Calm Waters

- Preparation -- The High School to College Disconnect
- Bottlenecks in the Pipeline
- Finance Policies
  - Tradition
    - Low Price is trademark
      - But low price yields low resources
      - Also leaves substantial money on the table
        - From feds
        - From well resourced students
Surviving the Perfect Storm that Community Colleges Face

- It’s possible
- But not by steering the current course