

CCRC BRIEF

NUMBER 15

JANUARY 2003

Community Colleges in the 21st Century: Challenges and Opportunities

Thomas R. Bailey

Community colleges account for a surprisingly large share of American higher education. Nearly one half of all postsecondary undergraduates in fall 1997 were enrolled in community colleges (U.S. Department of Education, 2000a), and over the span of any given year, more for-credit undergraduate students enroll in community colleges than in baccalaureate-granting institutions. Community colleges have large and growing enrollments in non-credit courses as well. Moreover, the types of students who enroll in community colleges—first-generation or those from low socioeconomic backgrounds (U.S. Department of Education, 2000a)—are precisely the ones who are of most concern to scholars and policymakers

But after several decades of growth, community colleges now face a particularly challenging environment. Changes in pedagogic and production technology, state funding policy, the expectations of students, parents, and policymakers, demographic trends; and the growth of new types of educational institutions and providers are potentially altering the role of community colleges within the wider landscape of higher education.

Challenges

Increasingly, students expect to earn a bachelor's degree. In 1997, 77 percent of all high school seniors stated that they either probably or definitely would graduate from a four-year college program—up from 57 percent in the early 1980s (U.S. Department of Education, 2000a). Among students enrolled in community colleges in the early 1990s, 70 percent stated that their objective was to earn a bachelor's degree—up from 45 percent in the early 1980s (Schneider & Stevenson, 1999). As students focus more on earning four-year degrees, enrollments shift towards four-year colleges.

Although most community college students state that they aspire to a bachelor's degree, less than one quarter transfer to four-year programs (U.S. Department of Education, 2000a), and less than a tenth of students

who begin in two-year colleges ever complete a bachelor's (Schneider & Stevenson, 1999). But since many students start two-year programs without a clear intention of transferring, it is difficult to evaluate any given transfer level. Nevertheless, as the number of students who want a four-year degree grows, there will be more pressure to increase transfer rates.

While policymakers press community colleges to increase their transfer rates, they also introduce measures that will increase the number of poorly prepared students who attend these colleges. Developmental education is a central component of the colleges' mission to provide access, but large numbers of poorly prepared students complicate college efforts to improve transfer and graduation rates.

The social and economic environment has also changed. Other institutions, including public and not-for-profit four-year colleges, community-based organizations, for-profit companies, in-house company trainers, and even other community colleges compete with the colleges in every function that they carry out. Many public four-year colleges have expanded their continuing education offerings in an attempt to reach the adult and part-time students who have traditionally been served by community colleges.

The potential effect of computer-based distance education is perhaps the greatest unknown in the competitive landscape. To the extent that distance education reduces the need for students to be at a particular place at a particular time and provides an education at a reasonable cost, then the educational market will be a free-for-all. Research suggests that distance education is as effective at teaching substance as traditional classroom formats, although the students have to be motivated and organized. Community college professors argue that many of their students need the structure provided by the personal contact in the classroom. Whatever the problems, distance education is growing rapidly, and its growth has created tremendous uncertainty in higher education. Community colleges may be at a disadvantage in the online educational race, since they have much more restricted budgets than the four-year public schools, and they lack the for-profits' access to capital markets.

Positive Trends

Despite the challenges, several developments are likely to increase the demand for community college

education over the next several years. First, the number of students of the typical college-going age is projected to increase sharply over the next decade. Two-year college enrollments, which stood at roughly 5,700,000 for fall 1999, will grow by 11 to 16 percent over the next decade (Gerald & Hussar, 2000). The growing foreign-born population in the United States adds to the demand for community college education. Immigration has already had an impact on college enrollments in California, and The City University of New York (CUNY), New York City's public higher education system, was almost 50 percent foreign-born fall 1997 (Bailey & Weininger, 2001).

Much of the policy and research about college enrollment has assumed a traditional conceptualization in which students attend college full-time immediately after high school and continue their enrollment uninterrupted until they graduate. By that view, only 17 percent of the students who started college for the first time in 1989 were traditional students. Another 17 percent were traditional students in two-year institutions. The remaining 66 percent could be considered non-traditional because they attended part-time, interrupted their studies, or changed institutions. The share of non-traditional students would rise further if we counted students who delayed their first-time entry into college. The growth of the importance of these diverse pathways through postsecondary education may favor community colleges, which are much more oriented towards non-traditional students than four-year schools.

Developments in technology and their effects on skill requirements will also create a demand for community college education. Projections of the growth of employment in different occupations and trends in the earnings of workers with various levels of education show that at least some education beyond high school will be necessary for access to jobs with earnings that might allow an individual to support a family. While college graduates earn more than those with an associate degree, the value of one year of community college education is more or less equivalent to the value of a year of education at a four-year college. The same can be said for the economic value of credits earned at the two institutions (Grubb, 1999a; Kane & Rouse, 1995).

Weak high school preparation will also continue to create a role for community colleges. Even among families with incomes above \$75,000 a year, fewer than 60 percent of high school graduates were either highly or very highly qualified for admission to a four-year college. Levels of preparation for high school graduates from families earning less than \$25,000 a year were much worse. Forty-seven percent were not even minimally qualified, and only 21 percent were either highly or very highly qualified for admission to a four-year college (U.S. Department of Education, 2000a). Sixty-three percent of community college students take at least one remedial course (U.S. Department of Education, 2000a).

Several states and universities are trying to limit access to four-year institutions for students who need remedial help. CUNY is phasing out remedial education at its four-year colleges. The community college role in providing developmental education will continue and probably increase.

Low tuition continues to be one of the community college's most important assets. Although trends over the last 20 years suggest that the community college tuition advantage over private and public colleges has weakened slightly, internally financed scholarships grew at a much faster pace than tuition. Thus, while the differential may have eroded, in most states, community colleges will enjoy a significant tuition advantage for many years.

The Community College Response

Community colleges are expected to provide opportunities for transfer to four-year colleges. Indeed, it is through this function that community colleges realize their mission as the nation's primary site of equal access to higher education (Brint & Karabel, 1989; Cohen & Brawer, 1996; Eaton, 1988). However, although state agencies and college faculty and staff have worked hard to promote transfer, and college presidents articulate their commitment to transfer education, this has not been the primary or most prominent community college response to their financial and political challenges. Much of the energy and enthusiasm at the college level is focused on other activities.

Almost every community college is aggressively developing its non-credit and continuing education programs. In terms of the number of students (not FTEs), non-credit enrollments often surpass credit enrollments. Courses outside of the traditional degree streams can be developed with fewer constraints associated with accreditation, state regulation, and faculty prerogatives, and they can generate surpluses. Some non-credit enrollments are generated through customized training contracts with companies (Dougherty & Bakia, 1999). While such contracts represent a minority of non-credit enrollments, they often have a high profile and carry political significance since they solidify partnerships with influential local businesses.

Community colleges have also expanded their roles vertically—providing education to high school students and in some cases post-associate degree students. The dramatic growth of dual enrollment programs for high school students has been one of the most talked-about recent trends in community colleges. Since most of the offerings are in the social sciences and humanities, they do not need expensive equipment. Since they are taught at the high schools and therefore do not require additional space, and the instructors are usually adjuncts or high school teachers, the colleges incur extremely low costs and are often reimbursed at the regular FTE rate.

As they search for new functions and markets, colleges try to find opportunities to exploit the skills and staff that they already have. But often there is little coordination, particularly between credit and related non-credit programs. Often they are housed in separate buildings, use different faculty, and are managed by different administrators. In many cases, credit and non-credit programs in similar areas may actually be in competition for students or even for relationships with local businesses that could hire graduates and provide equipment. While some educators have argued that there are important pedagogic benefits to the coordination of academic and vocational education (Grubb, 1999b), it is difficult to find well-developed programs that actually put the approach into practice (Perin, 1998).

As a result, most community colleges now have multiple missions directed at addressing the needs and interests of a wide variety of constituencies. The list of missions includes transfer to a baccalaureate program, terminal occupational education, developmental education, adult basic education, English as a second language, education and training for welfare recipients and others facing serious barriers to employment, customized training for specific companies, preparation for industry certification exams, non-credit instruction in a plethora of areas (including purely avocational courses), small business development, and even economic forecasting.

The Debate about Multiple Missions

Advocates of the primacy of the transfer function argue that the growing emphasis on occupational education draws students into programs that do not encourage transfer. Brint and Karabel (1989) think that occupational education has changed the entire mission of community colleges and turned them into vocational schools for low- and middle-class occupations, thus limiting students' opportunities for advancement.

Yet other critics object to the comprehensive model because it detracts from vocational education, which they believe should be the core function of the community college (Blocker, Plummer, & Richardson, 1965; Clowes & Levine, 1989; Grubb, 1996). Grubb (1996) argues that: (1) the emphasis on academic education implies that there is only one valued postsecondary institution, defined by the research university; (2) community colleges cannot win the academic battle because they are not selective; and (3) since community colleges mostly fail in large transfer numbers, their clientele is left with outcomes of uncertain academic value.

Another argument is that the colleges simply cannot do everything well and therefore must choose a more limited set of objectives on which to focus. Breneman and Nelson (1981) argued that the "most fundamental choice facing community colleges is whether to emphasize the community-based learning-center

concept...or to emphasize transfer programs...It may no longer be possible to have it both ways" (p. 114).

Why have community colleges rejected a more focused approach in favor of a comprehensive strategy? Why has their response to financial pressures been to seek new markets and sources of revenue rather than to concentrate on their core functions?

First, political factors create incentives to take on new programs and make presidents reluctant to shed old ones. New programs can create new constituencies that in turn generate state and local political support. Thus, even if a program outside of the college's traditional activities loses money in the short run, it may create a political environment that leads to additional support from the state, county or local government for the core activities.

Second, new programs can generate surpluses, and even small surpluses can provide presidents with discretionary funds when most of the revenues from the core credit programs are tied up in faculty salaries and other fixed costs. As state funding becomes more uncertain, these alternative sources of revenue appear more attractive.

Third, although most community college administrators reject the notion that the new activities weaken the traditional transfer functions, most colleges do not keep data in such a way that could be used to evaluate the extent of cross-subsidies or the effects of one program or function on others. While it is easy to count revenues as students enroll in new programs, it is difficult to measure the costs, especially the strain on infrastructure and the attention of administrators, of those new programs. Despite the logic of the argument that one institution cannot do many things well, there is no definitive empirical evidence for this negative effect.

Fourth, some experts argue that a wide variety of program offerings under one roof is exactly what community college students need. According to this view, students often have ambiguous or unrealistic educational goals. If properly guided, they could take advantage of the varied offerings as their interests change and as they converge on goals that better match their interests and skills.

Thus, it is not surprising that colleges have continued to move towards a more comprehensive strategy. Shedding programs risks losing visible enrollments and political support in favor of an abstract goal of focused organizational efficiency, which, though logical, lacks definitive empirical measurement and evidence.

Outlook and Recommendations

While community colleges will continue to attract enrollments, complacency is hardly in order. State and local legislators will continue to put financial pressure on the colleges both through general fiscal restraints and demands for greater accountability. The danger with the comprehensive strategy employed by colleges is that

while new activities may generate enthusiasm and revenues, they may do so without necessarily improving the quality of the core degree-granting transfer and occupational programs.

Given that community colleges will continue to pursue a comprehensive strategy, what can administrators and state policymakers do to guarantee that colleges will be effective within that framework? The first and perhaps most obvious approach is to pay particular attention to the core functions of teaching and student services, especially student advising.

Second, colleges need to search for and exploit the complementarities between their different functions. Cooperation and coordination have long-run financial as well as substantive benefits, yet they require a significant commitment on the part of the institutional leadership and investment of resources in the short run.

Finally, colleges need better measures of the benefits and especially the costs of those programs. As it is now, administrators in most colleges are not able to determine which programs generate surpluses and which require cross-subsidization. This vagueness about costs tends to encourage an increase in the number of programs and activities since the revenues generated by the new enrollments are easier to count than the direct and indirect costs associated with those programs. Better information will clearly help them achieve desired objectives. There may be many sound economic and social reasons for the multi-function college, but they have yet to be measured systematically.

Community colleges make up a large and fundamentally important sector in higher education. While they face some significant challenges, they continue to have significant potential. Because strong incentives have encouraged them to take on an increasing number of missions and functions, they have evolved into extremely complex institutions, carrying out a large variety of activities that serve a diverse set of constituencies. Colleges need to do a better job of finding and exploiting complementarities among missions so that they can realize the potential benefits that coordinated activities can bring.

REFERENCES

Bailey, T.R., & Weininger, E. (2001). *Performance, graduation, and transfer of immigrants and natives in CUNY community colleges*. New York, NY: Community College Research Center, Teachers College, Columbia University.

- Blocker, C.E., Plummer, R.H., & Richardson, R.C., Jr. (1965). *The two-year college: A social synthesis*. New York, NY: Macmillan.
- Breneman, D., & Nelson, S. (1981). *Financing community colleges: An economic perspective*. Washington, DC: The Brookings Institution.
- Brint, S., & Karabel, J. (1989). *The diverted dream: Community colleges and the promise of educational opportunity in America, 1900-1985*. New York, NY: Oxford University Press.
- Clowes, D.A., & Levine, B.H. (1989). Community, technical, and junior colleges: Are they leaving higher education? *Journal of Higher Education*, 60, 349-456.
- Cohen, A., & Brawer, F.B. (1996) *The American community college*. San Francisco: Jossey-Bass.
- Dougherty, K.J. & Bakia, M.F. (1999). *The new economic development role of community colleges*. New York, NY: Community College Research Center, Teachers College, Columbia University.
- Eaton, J.S. (Ed.). (1988). *Colleges of choice: The enabling impact of the community college*. New York, NY: American Council on Education-Oryx.
- Gerald, D.E., & Hussar, W.J. (2000). *Projections of education statistics to 2010*. Washington, DC: U.S. Government Printing Office.
- Grubb, W.N. (1996). *Working in the middle*. San Francisco, CA: Jossey-Bass.
- Grubb, W.N. (1999a). *Learning and earning in the middle: The economic benefits of sub-baccalaureate education*. New York, NY: Community College Research Center, Teachers College, Columbia University.
- Grubb, W.N. (1999b). *Honored but invisible: An inside look at teaching in community colleges*. New York, NY: Routledge.
- Kane, T.J., & Rouse, C.E. (1995). Labor-market returns to two- and four-year college. *American Economic Review*, 85, 600-614.
- Perin, D. (1998). *Curriculum and pedagogy to integrate occupational and academic instruction in the community college: Implications for faculty development*. New York, NY: Community College Research Center, Teachers College, Columbia University.
- Schneider, B. & Stevenson, D. (1999). *The ambitious generation: America's teenagers motivated but directionless*. New Haven, CT: Yale University Press.
- U.S. Department of Education, National Center for Education Statistics. (2000a). *High school and beyond longitudinal study of 1980: Postsecondary education transcript study*. Datafile.
- U.S. Department of Education, National Center for Education Statistics. (2000b). *Integrated postsecondary education data system (IPEDS), fall enrollment 1997-98 survey*. Datafile.
- U.S. Department of Education, National Center for Education Statistics. (2000c). *The condition of education 2000 ed*. Washington, DC: U.S. Government Printing Office.

Thomas R. Bailey is the Director of both the Community College Research Center and the Institute on Education and the Economy. He is also the George and Abby O'Neill Professor of Economics and Education at Teachers College, Columbia University.

This Brief was based on a paper prepared for a workshop, The Knowledge Economy and Postsecondary Education, the research for which was supported by the Alfred P. Sloan Foundation. The full report can be seen on the National Academy Press website at <http://www.nap.edu/>.