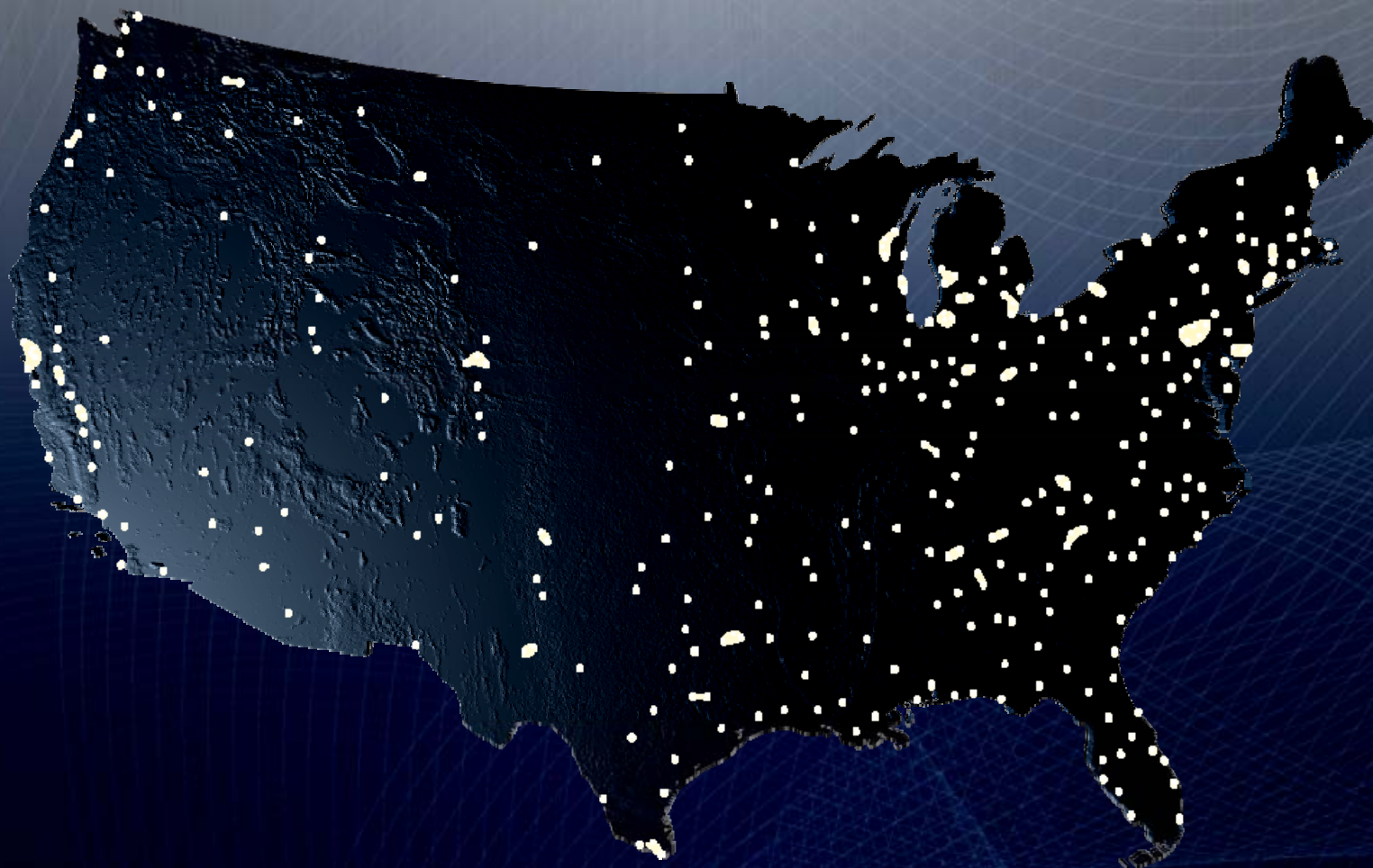


Blueprint for American Prosperity

Unleashing the Potential of a Metropolitan Nation



Transforming America's Community Colleges: A Federal Policy Proposal to Expand Opportunity and Promote Economic Prosperity

Sara Goldrick-Rab
University of Wisconsin-Madison

Key takeaways:

The federal government is under-investing in community colleges, putting national prosperity and inclusive growth at risk

In addition to increasing federal support, the federal government needs to help community colleges:

- focus on boosting rates of degree completion
- stimulate and innovate successful practices
- use data to assess the effectiveness of these efforts

America's challenge



The link between national educational attainment and national well-being has never been clearer

Higher education is critical to economic and social prosperity

Non-baccalaureate higher education is an important contributor to inclusive growth

Higher educational attainment has stalled in the United States

Recognizing the importance of postsecondary education, the new administration has announced an ambitious national goal

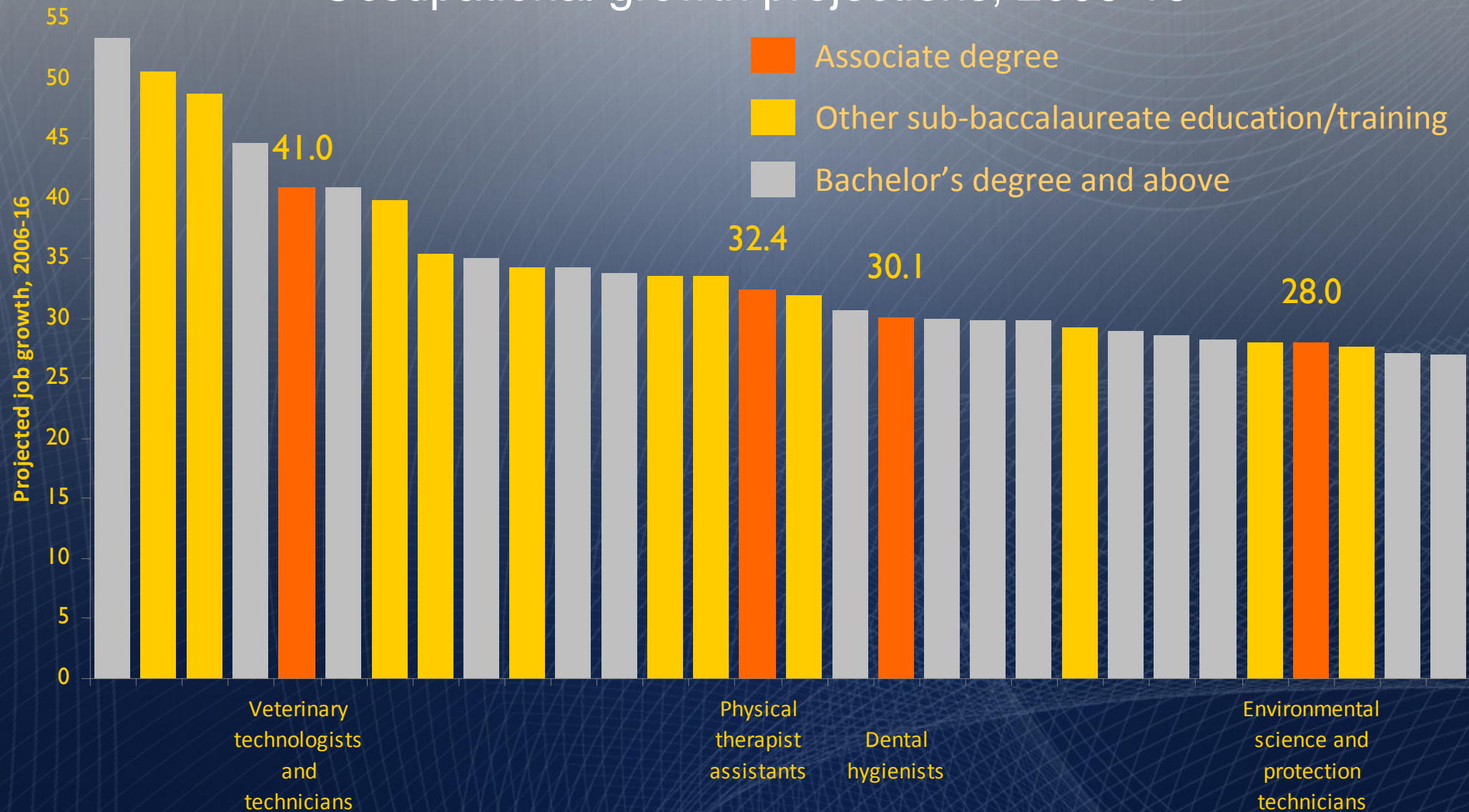


“...we will provide the support necessary for you to complete college and meet a new goal: by 2020, America will once again have the highest proportion of college graduates in the world.”

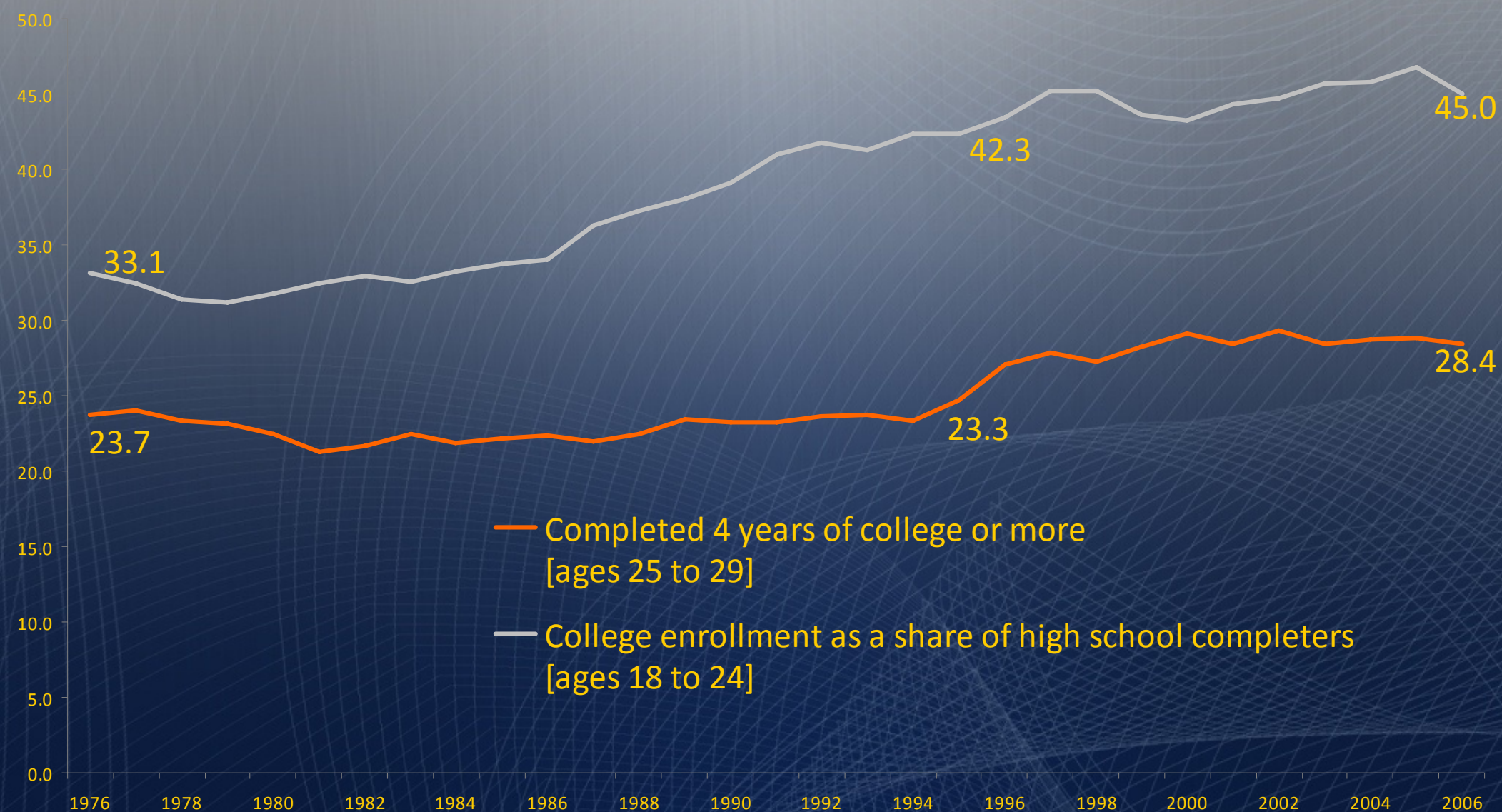
--Pres. Obama, Address to Joint Session of Congress, February 24, 2009

Occupational projections suggest continued growth in jobs requiring sub-baccalaureate education

Occupational growth projections, 2006-16

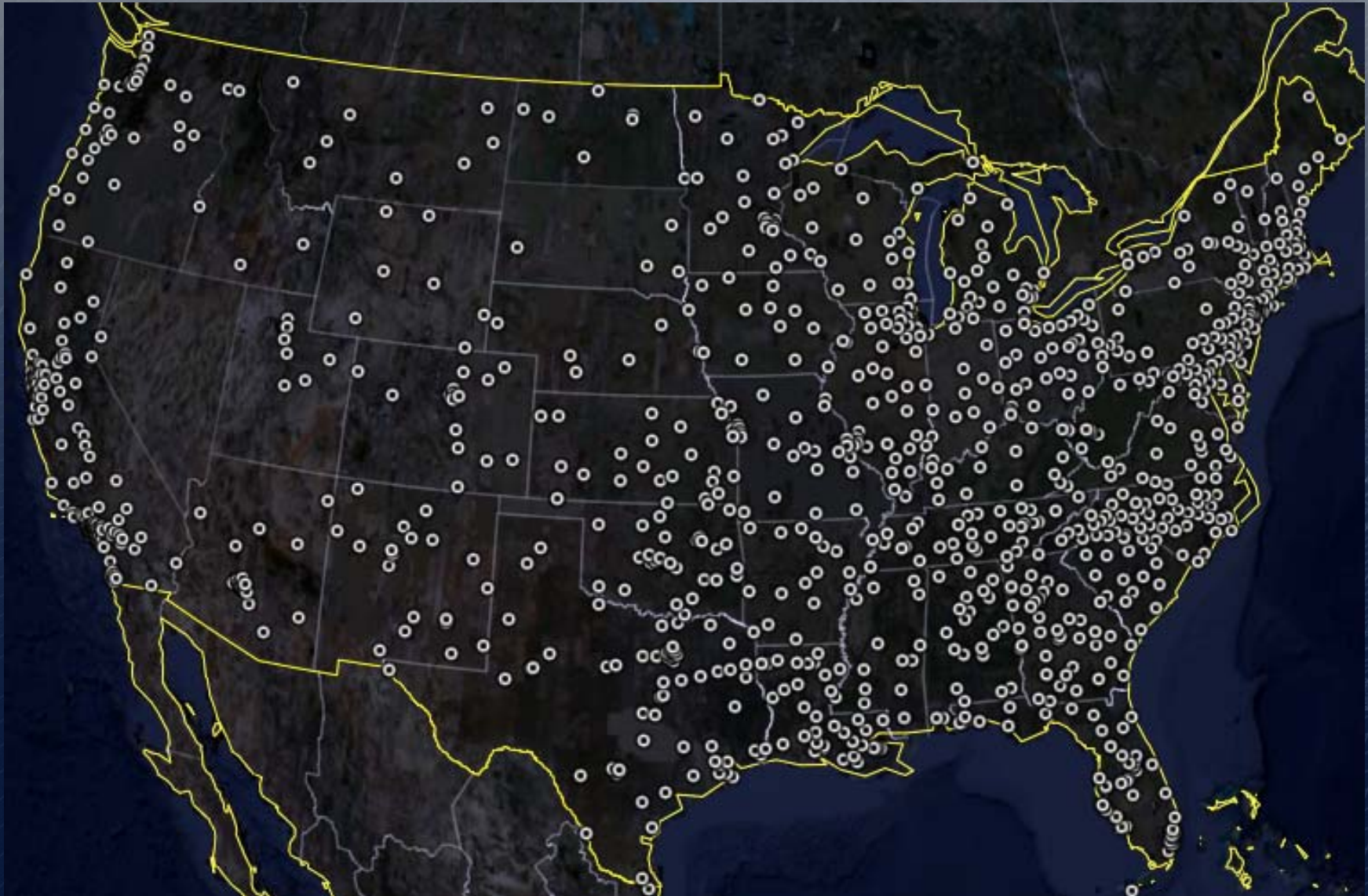


College access is up significantly; college completion is not



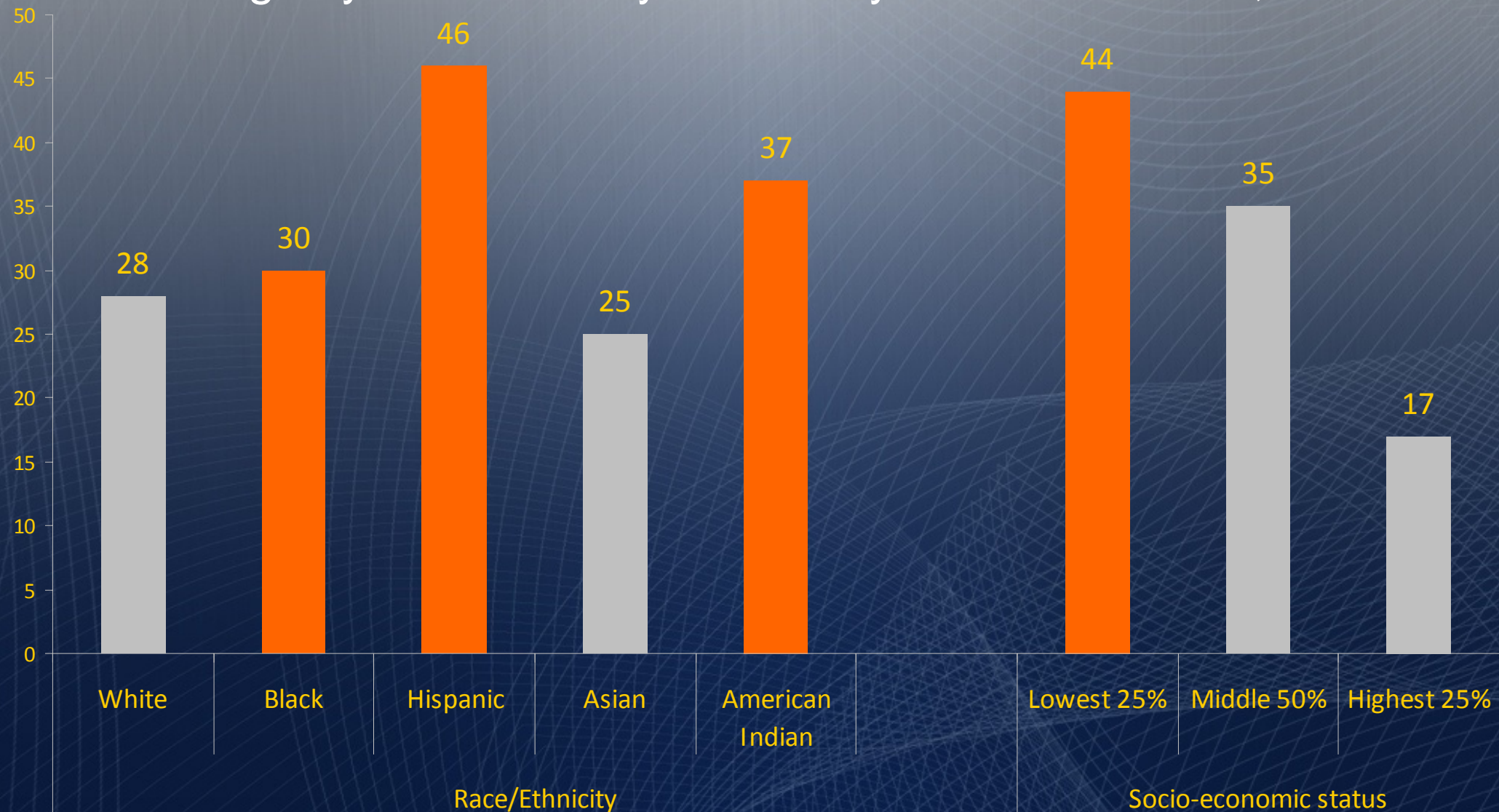
Community colleges present enormous opportunities to meet attainment goals

More than 1,000 community colleges serve nearly half of all undergraduates and are located in nearly every community nationwide

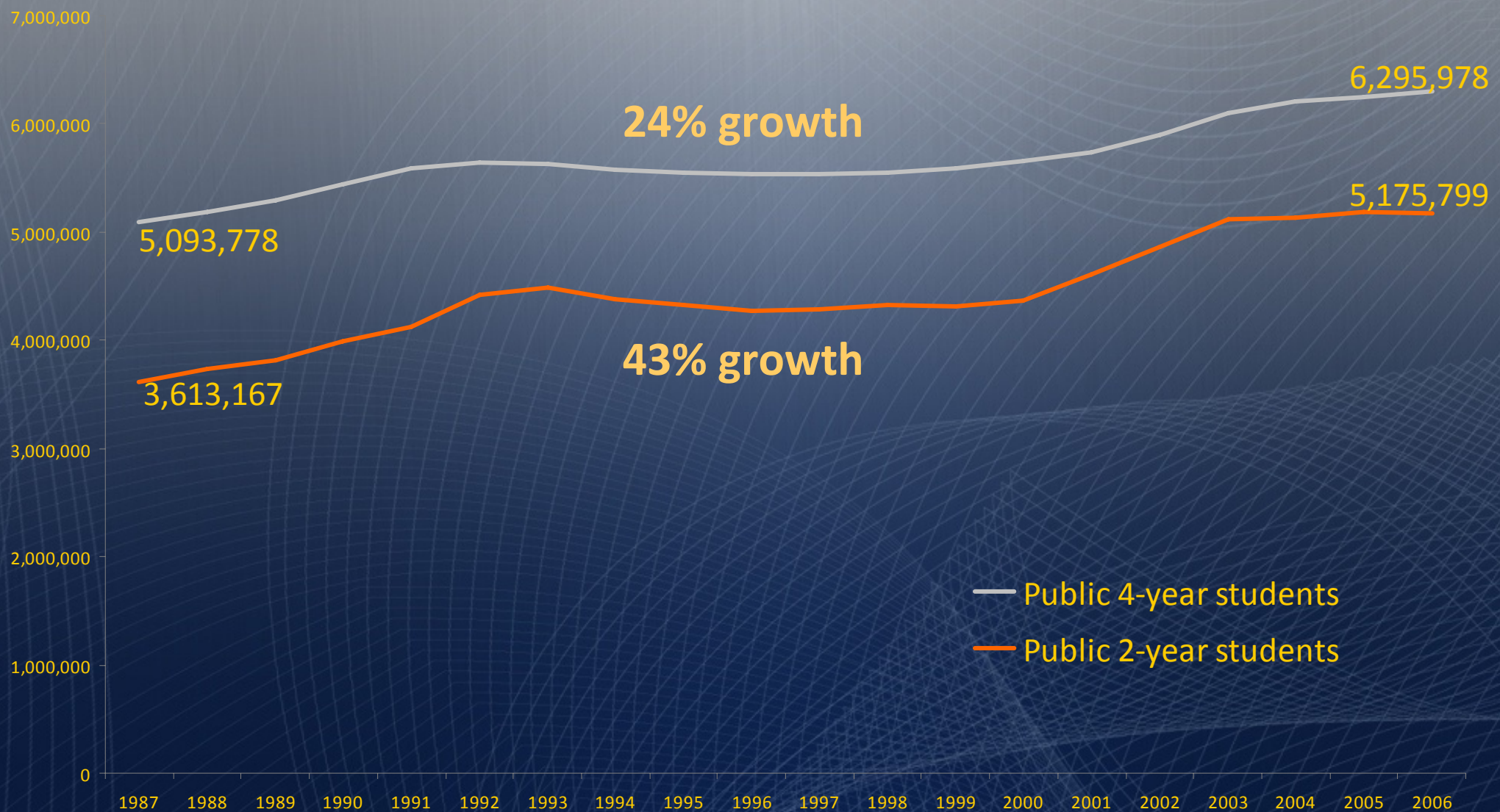


Community colleges serve higher shares of minority and lower-income college-going youth

Share of high school graduates enrolling in a community college by race/ethnicity and family economic status, 2004



Enrollment growth in the two-year sector is outpacing that in the four-year sector



But community colleges face serious challenges

- Dropout rates approach 50%
- Only one-third of students complete a degree or certificate within six years of entering
- Must balance multiple missions (e.g., degree, certificate, transfer, development ed, continuing ed, etc.)
- Resources are scarce and not geared to supporting institutional capacity to help students gain credentials

Limitations of existing federal policy

Community colleges depend disproportionately on state and local revenues, contributing to poor and unequal outcomes

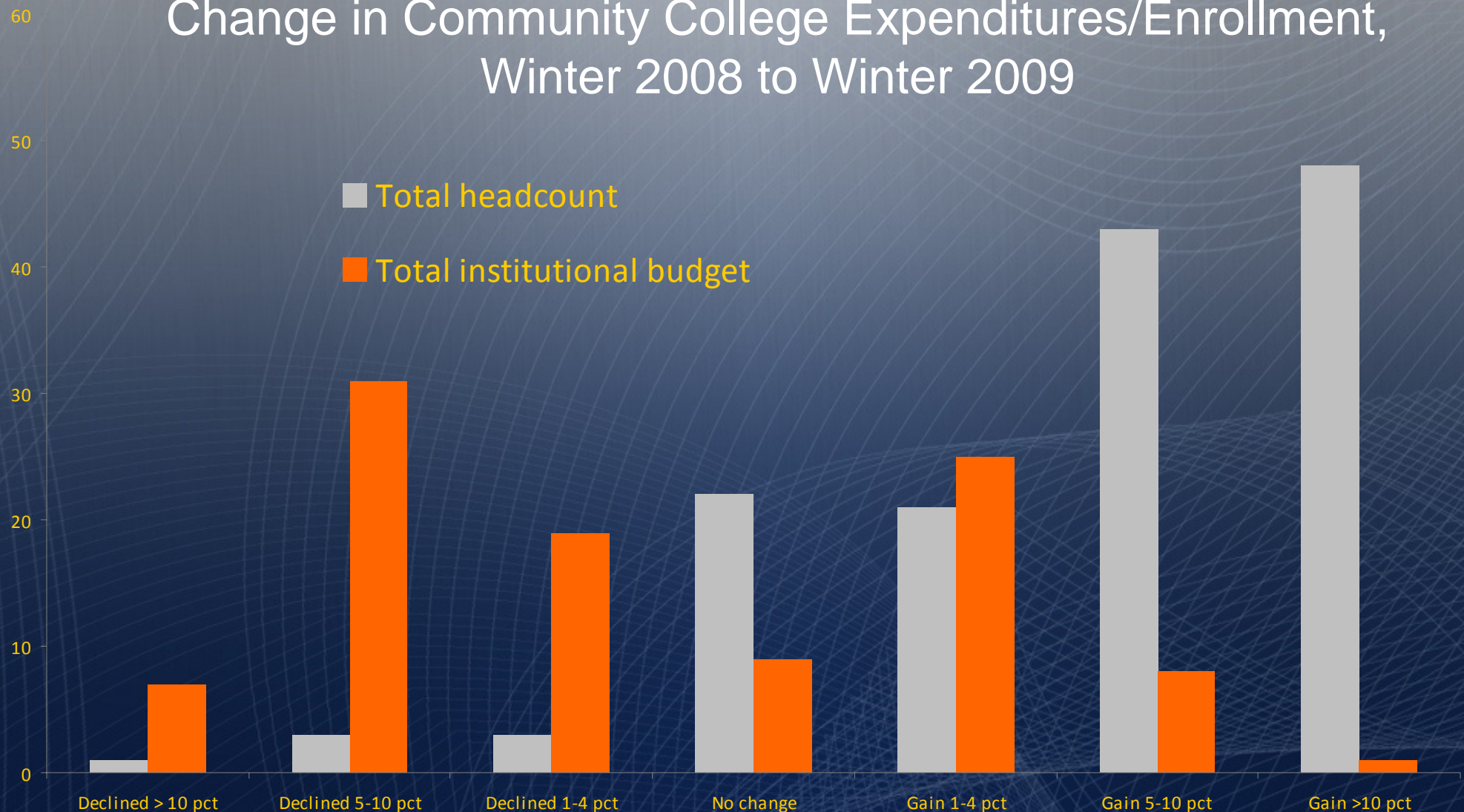
State and local revenues account for nearly 60% of community college budgets

Federal spending (including financial aid) supplies only 15% of community college revenue

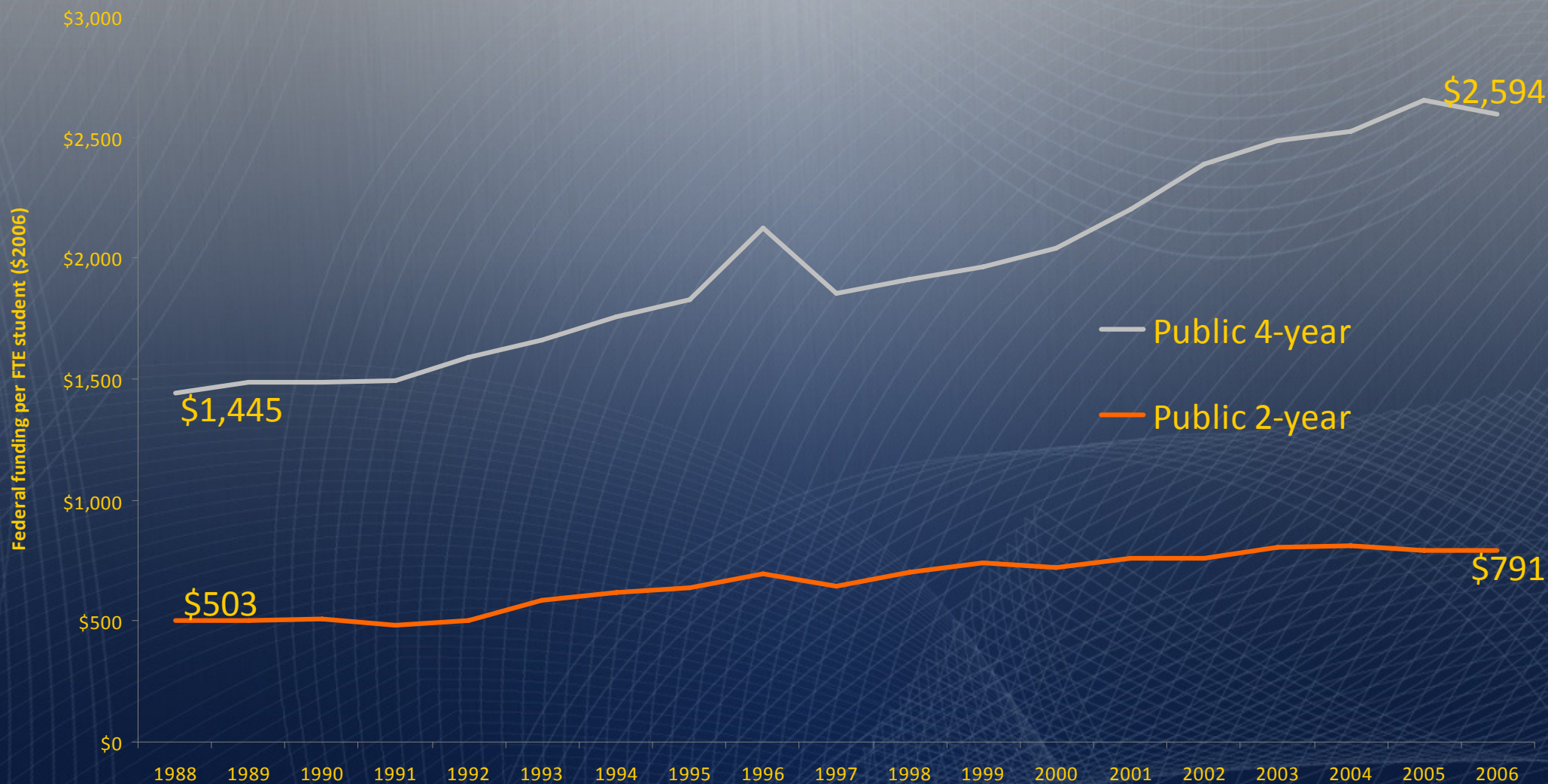
This makes community colleges especially susceptible in periods of economic downturn

Expenditures at community colleges have declined as enrollments have skyrocketed

Change in Community College Expenditures/Enrollment,
Winter 2008 to Winter 2009



Federal funding per FTE student at public 4-year colleges outstrips that at community colleges by 3:1



***Existing methods of funding community colleges
at all levels of government do little to encourage
better student and institutional performance***

Based on enrollment, not outcomes

Efforts like the federal Access and Completion Incentive Fund may falter if colleges lack the core operating capacity needed to improve outcomes

Student-focused approaches alone are insufficient

A new federal approach

The U.S. must move now to transform the potential of community colleges to help their students achieve prosperity

The federal government should develop a set of national postsecondary goals and an accompanying performance measurement system

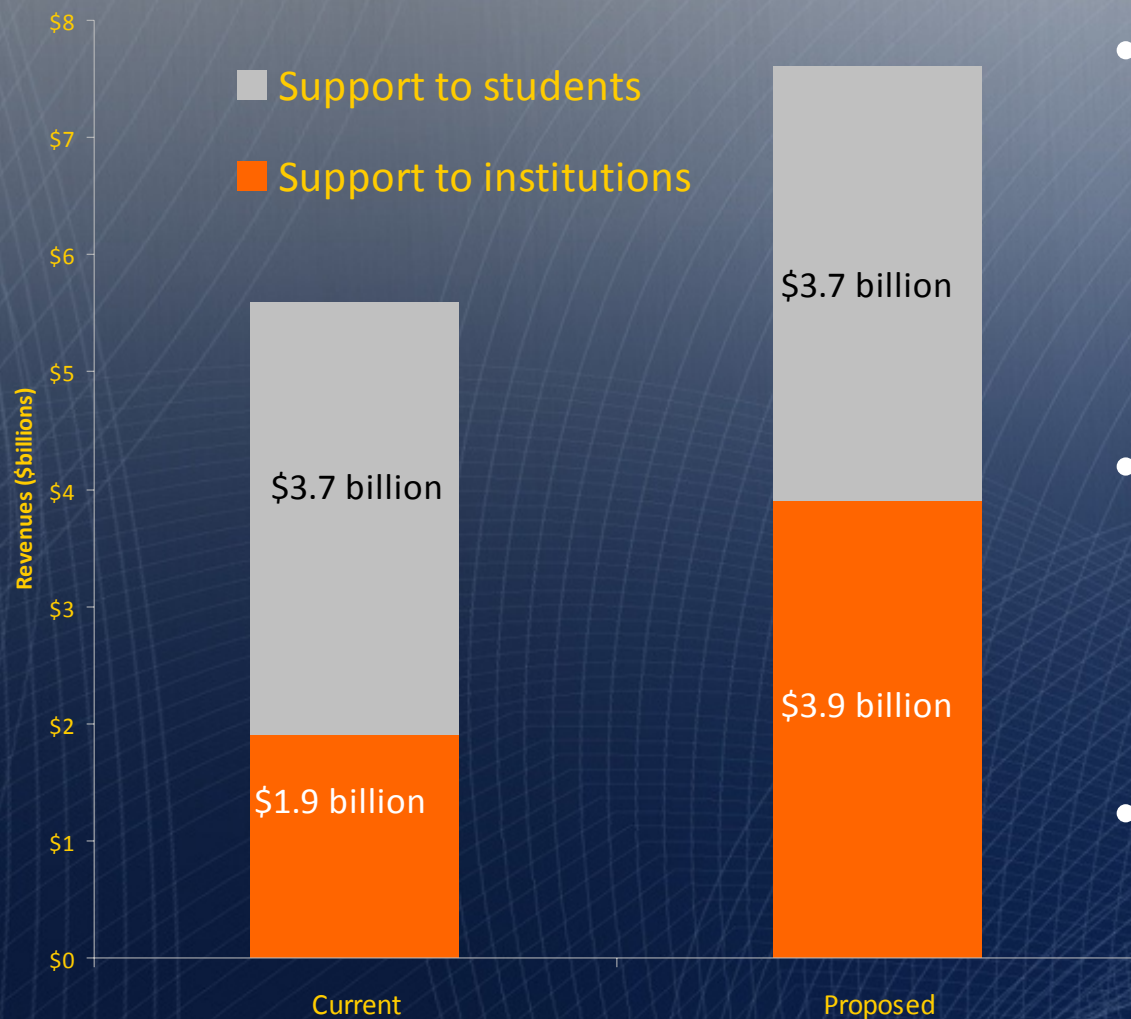
The federal government should drive performance toward those goals by providing a significant influx of new resources

A performance measurement system should reflect the multiple missions community colleges fulfill on their students' behalf

Examples of student-oriented goals might include:

- Degree and credential completion
- Transitions from remedial to credit-bearing coursework
- GED attainment
- Key credit-hour mileposts toward credentials
- Earnings and employment outcomes

The federal government should double its direct support of community colleges, especially those promoting student success

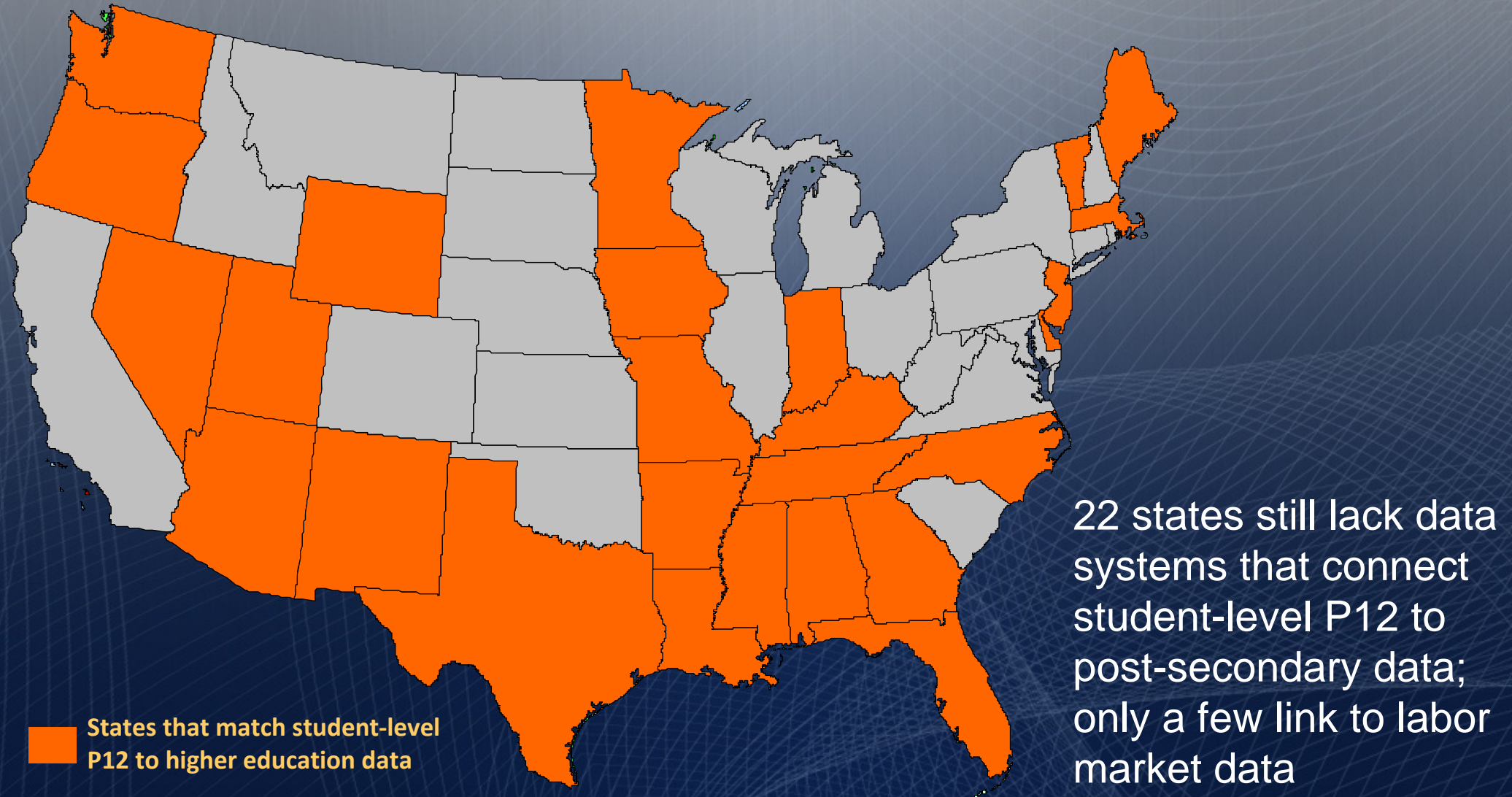


- Bring direct federal subsidies to community colleges to \$4 billion (vs. \$60 billion for K-12, \$20 billion for public 4-year universities)
- Provide average community college with additional \$2 million to invest in infrastructure, technology, faculty
- Over time, 75% of new resources would be based on performance on key student success measures

Half of the proposed \$2.5 billion Access and Completion Incentive Fund should stimulate innovative practices in the public two-year sector

More evaluation of “what works” in community colleges is needed in several areas:

- Learning communities
- Curriculum integration
- Student services and other academic supports
- Developmental education
- Assessment and placement policies



22 states still lack data systems that connect student-level P12 to post-secondary data; only a few link to labor market data

Policy brief and full report available on the Brookings Blueprint website

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www.brookings.edu/metro

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Sara Goldrick-Rab, Douglas N. Harris, Christopher Mazzeo, and Gregory Kienzl

To renew America's status as the world's leader in college attainment, the federal government needs to transform America's community colleges and equip them for the 21st century. This long-overdue investment should establish national goals and a related performance measurement system; provide resources to drive college performance toward those goals; stimulate greater innovation to enhance the quality of sub-baccalaureate education; and support data systems to track student and institutional progress and performance.

America's Challenge

Over the last two centuries, the United States created an advantage over other countries by helping our citizens attain formal education, generating an able workforce and technological advancement. Yet U.S. higher educational attainment, long considered a ladder to economic and social success, has stalled, and now reinforces inequalities between rich and poor America. Community colleges represent an affordable, accessible route for a wide income spectrum of students to well-paying, high-demand jobs, as well as further education. But low degree completion rates at these institutions raise serious challenges for public policy efforts to achieve robust, broad-based economic growth.

Limitations of Existing Federal Policy

Between 2000-2001 and 2005-2006 total enrollment in community colleges grew by 2.3 million students, more than in any other higher educational sector. The current economic downturn is spurring further increases. Yet community colleges receive less than one-third the level of direct federal government support as do public four-year colleges. This matters as economic research indicates that a relative decline in post-secondary funding diminishes degree completion. While all public colleges and universities rely on non-tuition revenue, community colleges depend disproportionately upon state and local governments, currently under severe budget pressure. Only the federal government has the capacity to raise expectations

for community college performance and support the necessary investments to achieve those goals at a scale commensurate with the growing demands facing over 1,000 community colleges nationwide.

A New Federal Approach

The new administration and Congress should transform our community colleges into engines of opportunity and prosperity by targeting new investments to those colleges that help their students succeed. To that end, the federal government should:

- **Establish national postsecondary goals and create a performance measurement system** to support the effective use of federal resources
- **Double its current level of support in order to account for more than 10 percent of community colleges' budgets**, ultimately awarding three-quarters of these funds based on colleges' performance in meeting key goals around student credit, credential, and degree completion
- **Stimulate instructional innovations and practices** to increase community college quality, by devoting half of the administration's proposed \$2.5 billion state-federal partnership fund to improve and evaluate practices enhancing sub-baccalaureate education
- **Support the improvement of student data systems** necessary to measure and track college student outcomes, guide funding, improve accountability, and promote continuous improvement in educational quality

For questions or comments, please contact:

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