

JBL | ASSOCIATES, INC.

6900 Wisconsin Avenue Suite 606 Bethesda, MD 20815 Tel 301•654•5154 Fax 301•654•6242 www.jblassoc.com

Council of the District of Columbia

Testimony of John B. Lee

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by JBL Associates, Inc.
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The landscape of community colleges has changed over the last several years and has brought more attention to the issue of student success – not just getting students enrolled, but ensuring that they leave with a certificate, degree, or sufficient credits to transfer to a four year institution, or at least improve their prospects on the job market. Accordingly, our study takes a close look not only at who a DC community college needs to serve and what programs it needs to offer, but also at how the college can maximize student success.

Maximizing student success not only benefits the students who come out of their community college experience with greater earning potential, but it represents efficiency and a higher return on investment for the community. For this reason, we believe it is essential that DC’s policymakers and higher education leaders make student success their highest priority.

With these goals in mind, we reviewed three institutional options for creating a DC community college. As you know, UDC established CCDC as a branch during the period of time in which we were conducting our study; that event influenced the outcome of this report.

The Study’s Recommendation

The study examines three paths that CCDC could take to become an efficient and effective community college, given its current status as a division of the university and the recent actions of Dr. Sessoms and Dr. Gueverra. These options are:

1. CCDC remains a permanent branch or division of UDC, and permanently shares the University’s governance, administration, and accreditation.
2. CCDC temporarily shares UDC’s governance and accreditation as it explicitly works on its own toward the goal of becoming an autonomous, independently-accredited institution with its own governance structure.

3. CCDC develops and leads partnerships with one or more of the area’s suburban community colleges to augment its programs as it builds capacity to become an autonomous, independently-accredited institution with its own governance structure. This is the option we recommend, and we call it the “independence plus partnership” option.

In the interest of time, I will review the reasons why we recommend the “independence plus partnership” option as the most optimal of the three.

Independence:

The first part of this option—independence from UDC—is critical to CCDC’s success and sustainability. Independence would require CCDC to achieve its own accreditation, its own Board, and its own operational structure, including independent student records, accounting, financing, human resources, and contracting and procurement. Independence will also require CCDC to establish a new contract with its faculty that suits the demands of a community college; this will be essential to the cost effectiveness of the new college. The transition to independence would at times require redundancies and additional cost, and is necessarily disruptive in the short term. However, independence provides the opportunity to create a planning and management system that genuinely matches the vision and operation of a community college, rather than relying on the systems that have served (and in many ways poorly served) the existing university.

An independently governed and accredited community college has several advantages over a permanent branch. Independence:

- Provides a clear identity for the CCDC with its unique mission
- Streamlines decision-making and budgeting in the institution
- Provides greater opportunity for innovation and change
- Improves accountability to DC government
- Provides better chances to develop alternative funding opportunities

Partnership:

In addition to independence, this option also calls for CCDC to develop partnerships with one or more of the nearby suburban community colleges in Montgomery and Prince George's Counties and in Northern Virginia. Such partnerships will help CCDC develop a robust set of programs more quickly. By contracting with other institutions to provide specific programs in high-demand occupations, CCDC can increase its capacity more rapidly than if it built its own programs from scratch. CCDC would provide facilities in the District, student services, admissions, student aid, and developmental education and tutorial programs, as well as other credit and non-credit offerings. Participating colleges would fill out CCDC's existing offerings by contracting with CCDC to provide key credit-bearing occupational programs and their associated staff.

Such contracts with other schools would continue while CCDC gained sufficient capacity to run these programs on its own. At that point, the cooperating colleges could step back according to a process defined in the contracts. In the interim, the participation of the other community colleges would bring supplementary expertise into CCDC and contribute additional credibility among area stakeholders and employers. CCDC should draw on the unique resources of the other community colleges, and improve on their achievements where appropriate, including in the important area of graduation and transfer rates. These partnerships will benefit CCDC students significantly, not only in terms of making high-demand programs available more quickly, but potentially allowing students to benefit from existing articulation agreements with Maryland and Virginia four year colleges and universities. I should note that the presidents of the suburban colleges are very interested and willing to engage in these discussions.

Managing the suggested contracts would require close coordination and cooperation among CCDC and the participating college(s), which adds a layer of administrative complexity; however, we believe the benefits significantly outweigh the costs. Moreover, Dr. Gueverra's experience as a community college administrator will provide the leadership necessary to develop and lead such partnerships.

Partnerships with one or more of the suburban community colleges could also be the first step in creating a regional consortium in which each jurisdiction is home to strong programs which can be accessed by students throughout the area. Training for some occupations (for example, in the construction and allied health fields) requires expensive facilities and equipment and specialized instruction skills. Since the labor market is regional and not limited by jurisdictional boundaries – and, in fact, many employers have sites in multiple jurisdictions in the DC metropolitan area – it may be beneficial for education institutions to specialize in certain programs, assuming reciprocal arrangements are developed with institutions in the other jurisdictions. Such a consortium will provide an easy point of entry for employers who would access a coordinated regional network designed to help meet their workforce needs. It will also produce cost savings to the extent that not all the colleges reproduce the same expensive equipment and training capacity.

Having studied this situation for the past year, and after talking to more than 100 individuals and groups in the District as well as community college experts around the country, I am convinced that the Independence Plus Partnership option is the best way for the District to achieve an affordable, credible full-service community college for DC residents.

What Will it Cost?

Given the size of the city, we estimate that CCDC should eventually aim to serve approximately 5,000 full-time equivalent students. Usually, fewer than half of community college students enroll full-time, which means that CCDC should have between 7,000 and 9,000 students when it reaches its capacity. Dr. Gueverra will have to address how quickly CCDC is planning to reach that level – it's a process that should be deliberate and well-planned, but is of course subject to many contingencies.

We estimate that CCDC should be able to provide full-service programming and student supports for about \$12,000 per FTE. This would make the total operating cost of CCDC – when it reaches a student enrollment of 5,000 FTE – approximately \$60 million. In its start-up years, the cost per student will be higher, probably at least \$14,000 per student. Again, Dr. Gueverra will need to provide details on what he projects his per-student costs to be, and how quickly he can reach the scale at which the costs per

student will decline. We estimate that when the college is operating at its full capacity, the District will need to provide approximately half of the college's operating funds, or \$30 million. The remainder would come from tuition, and from federal and private sources. It will also need to design its financial aid policies so that low-income students, especially working adults, will have access to the aid they need to contribute their share of the costs.

One cost issue seems very clear from our analysis: CCDC must disengage from the high cost structure of UDC if it is to become economically viable, no matter how the institution moves forward. UDC's costs per full-time equivalent (FTE) student are about \$31,000, compared to an average of about \$9,500 per FTE among other community colleges and \$17,000 among peer universities. Although these high costs reflect several historical events, they will, if inherited, create problems for CCDC well into the future.

Since CCDC is starting out as an embedded unit within UDC, these high costs will be built into the community college unless CCDC has the authority to take steps to reduce costs, and does so. From what I understand, UDC is now trying to reduce its procurement, human resources, and facility costs, and is also trying to centralize back office operations between UDC and CCDC to create efficiencies of scale. That may be possible, but it is not automatic, especially given UDC's existing high administrative costs. In some cases, the community college may be better off developing its own administrative systems or buying them from outside vendors. Contracting with outside institutions for selected programs may help to introduce new, lower cost structures.

The costs I've been discussing do not include one of the biggest challenges that CCDC will face going forward: the lack of a state-of-the-art campus in the District. Some programs require little in the way of specialized facilities. These include general education requirements, and some information technology and business programs which require only a classroom and up-to-date computer equipment. Other programs, such as allied health and environmental technology/construction, require highly specialized facilities and equipment. This suggests that in its early stages, CCDC is going to be limited in the kinds of programs it can offer on-site while it raises the capital and develops capacity to offer programs

requiring more specialized and expensive equipment and facilities. Accordingly, planning for facilities should be integrated with strategic planning.

The level of local government funding required by CCDC as it moves toward its target capacity will depend on the steps that CCDC takes to achieve scale—target enrollment for each year, the types of programs and services it chooses to offer, and how they choose to provide those programs and services. While CCDC will require increased resources, total operating revenue need not entirely be raised from new sources. Rather, *some* of the community college’s costs can be funded using existing revenue that CCDC receives from UDC. Determining how to carve out CCDC’s budget from UDC will require clear goals for enrollment, per-enrolled student expenditures, and programming at the flagship university and the community college, as well as a commitment to cost containment at both schools.

Concluding Remarks

The launch of this community college is an opportunity for the District of Columbia to take leadership in developing regional education capacity. It also provides an opportunity for public higher education in the District to revitalize itself so that both UDC and CCDC contribute to the educational opportunity available to the citizens of the District. Each needs the freedom to become a fully mature institution, with its own mission and student body. Success should be measured by the achievement of students who might otherwise been left behind.