Community Colleges Struggle with Tighter Budgets and Record-High Enrollments

By Jennifer Ginn [1]  
Tuesday, June 1, 2010 at 12:00 AM

Community colleges are in crisis mode in the wake of the Great Recession. They are at the center of work force retraining for those left unemployed by the economic collapse and at the same time are experiencing large increases in enrollment of 18-year-olds looking to start their higher education careers. Underfunded for years, community colleges also are being hit with more budget cuts as states struggle to close massive budget deficits—leading to tuition increases and enrollment caps just as the services community colleges offer are needed most.

In the midst of the nation’s ailing economy, community colleges are between the proverbial rock and a hard place. And for at least the next couple of years, the outlook for improvement doesn’t look very good.

The American Recovery and Reinvestment Act of 2009 pumped nearly $4 billion into state coffers for retraining programs to help unemployed workers gain the new skills they need to get back into the work force. The majority of those tens of thousands of new students received that training at community colleges. In addition, there has been a rapid increase in high school graduates looking to start their higher education careers at community colleges, which usually are less expensive than four-year institutions. Unpublished data from an annual survey of state community college directors conducted by the University of Alabama Education Policy Center show that nationally, there will be 1 million more 18- to 24-year-olds and 3 million more young adults ages 25 to 34 by 2012 than there are now. That means the prospect for even larger enrollments at community colleges is likely in the next few years.

While the number of students has been climbing, states have been slashing funding for community colleges as they struggle to close massive budget deficits. According to the Education Policy Center, just two states reported midyear cuts to their operating budgets in the 2006-2007 fiscal year. In the 2007-2008 fiscal year, that number increased to nine states, including California and Florida, which have two of the largest community college systems in the country. But for 2008-2009, the figures only got worse. Community college systems in 34 states, or 71 percent, reported taking midyear cuts to their operating budgets.¹

Funding Cuts Are Nothing New

While the devastating collapse of the world economy certainly affected funding, community colleges have seen their funding slashed over the past few years.
“It’s unfair to say this is a new thing because in Florida, funding for community colleges has been on a decreasing scale for many years,” said Eduardo Padrón, president of Miami Dade College, the nation’s largest community college. “This is a culmination of many years of underfunding. But it has become very, very severe because of the economic downturn in the national economy. ... It has been a crisis in the making.”

Robert Keys, president of Rockingham Community College in North Carolina, said the economic situation is grim. He has worked at community colleges for 40 years and has been president for 22 of them.

“I’ve never seen an economic situation as bad as this in those years,” Keys said. “... We’ve had some recessions here and there, but I’ve never seen it this bad. I don’t see a lot of optimism for this ... year. We’re going to have to really tighten our belts and do a lot of things unconventionally to get through this year.”

According to a report from the Delta Cost Project, state and local funding for community colleges—and all higher education institutions in general—has been on the decline for years. Between 2002 and 2005, funding for community colleges has dropped $500 per full-time equivalent student. Although funding rebounded slightly in 2006, it did not make up for the loss in the previous years. “And stress on state budgets from the economic meltdown of late 2008 will undoubtedly result in further declines in higher education appropriations in the upcoming years,” the report concludes.

According to the American Association of Community Colleges, state appropriations make up the largest source of revenue for community colleges at 38 percent. Coming in at a close second was tuition and fees, which provided 20 percent of all community college revenues. As state funding has decreased, the price of tuition and fees has risen to take up the slack. Between 2002 and 2005, tuition revenue increased by an average of $124 per student. Even when state funding picked up slightly in 2006, tuition continued to increase at a slower rate of $75 per student. In Alabama, for example, community college tuitions will be going up 27 percent in a two-step increase. In Washington, the legislature approved letting community colleges increase tuition up to 7 percent each year for the next two years.

And just because state and local funding has been dropping at community colleges, don’t think that federal funds have stepped in to take over. Community colleges educate 45 percent of the nation’s college students, but they receive markedly less funding from the federal government than universities. A report from the Brookings Institution shows that universities receive more than three times as much federal funding per full-time student than community colleges.

While tuition and fees have risen faster at universities, the effects of tuition increases at the community college level are more severe and strike at the most vulnerable groups of students. Thirty-five percent of the students attending community colleges are minorities and nearly 40 percent of them are the first in their families to attend college. A total of 17 percent of community college students nationwide are single parents.

“We’re the largest sector of higher education,” said George Boggs, president and CEO of the American Association of Community Colleges. “... Our colleges are the ones that are most closely aligned with local business and industry to provide students with the technical skills needed. The unemployed auto workers aren’t going to Harvard to pick up these skills they need. They’re going to their local community colleges in droves.”

The Open Door is Closing
Community colleges are not only cheaper, they also can be an entrance into the world of higher education for those with less than sterling academic careers in high school because of their open admission policies. Sixty-one percent of the students enrolled at a community college take at least one remedial course. At some community colleges, the need for remedial education is even higher. At Miami Dade College, 75 percent of freshmen need remedial classes in either reading or math. These are students that without community colleges may not get into more selective four-year universities.

Opportunities at community colleges, however, are drying up—something that was unthinkable just a decade ago. Thousands of students were denied entrance to Miami Dade for the fall 2009 semester because of the college’s inability to add teachers or sections to classes once they were filled. Wayne County Community College, which sits in the heart of the economic collapse in Detroit, was forced to put a cap on student enrollment for the first time in its history after experiencing a 25 percent increase in enrollment. The Idaho legislature’s budget director informed policymakers in fall 2009 that they may have to cap community college enrollments. The College of Western Idaho - was nearly $2 million in the red for the school year after a shocking enrollment increase of 286 percent in just one year.

President Obama offered his solution announcing in July 2009 a new American Graduation Initiative that would pump $12 billion into community colleges over the next decade. He said now was not the time to begin limiting who can attend classes.

“At the same time, community colleges are under increasing pressure to cap enrollments and scrap courses and cut costs as states and municipalities face budget shortfalls,” Obama said in the announcement. “And this is in addition to the challenges you face in the best of times, as these schools receive far less funding per student than typical four-year colleges and universities. So community colleges are an undervalued asset in our country. Not only is that not right, it’s not smart.”

More Hard Times are Coming

While times have been hard, the 2011 fiscal year is looming large in the minds of community college directors because that’s when extra funding provided by the American Recovery and Reinvestment Act stops. The vast majority of community college directors surveyed by the University of Alabama said stimulus money was used to fill in for funding that otherwise would have been cut from community college budgets.

“A lot of them say they will face further cuts in fiscal year 2010 and fiscal year 2011,” said Steve Katsinas, professor of higher education and director of the Education Policy Center at the University of Alabama. “Time and time again, the concern is about 2011. Everybody is talking about it.”

In fact, several community college directors specifically mentioned the end of stimulus funding in 2011 in the Education Policy Center survey. “All new funding is coming from budget reserves (one-time money). What about FY 2011,” Arkansas questioned. An Iowa survey respondent said, “The (Recovery Act) funds will allow the state to stay on an even footing for 2009-2010. The true concern is with FY2011.”

And a Florida survey respondent said, “For the third year in a row, the FY2009-2010 budget year will be a combination of strong enrollment increases, reduced college operating budgets and significant tuition increases. The state does not have the revenue to fund these enrollment increases, but expects us to do our best to accommodate student growth.”
The Florida respondent said the Recovery Act money has helped, “but it is likely that our state economy will not be able to replace the loss of those funds after the 2010 fiscal year. The capacity of our colleges to expand job training programs beyond current levels has been diminished by these factors and new resources, particularly for new faculty positions, will be needed for our colleges to increase our contribution to the economic recovery of Florida.”

A full 80 percent of community college state directors said they were concerned about a shortfall in their base budget for the 2011 fiscal year. That’s already happening in Illinois. The state’s 39 community colleges may not get up to half of their funding from the state for this school year. Funding is disbursed by the state in installments in August, November, February and May. This year, however, the first payment, scheduled in August, was delayed by almost four months and the second installment may not come until May. That means community colleges may not get their final two disbursements because they already will be into another school year.

Padrón of Miami Dade College said it is easy to look at funding for education as being more negotiable than other budget areas, but it is an essential part of economic recovery.

“The problem is when it comes to education,” he said, “everything else is a priority. Nobody is dying because of education. That’s the way politicians look at it. They postpone education and concentrate on other things. For a state and a community to really survive and thrive economically is directly related to how well your work force is educated.”

And Boggs stressed that education isn’t just a line item in a budget; it’s an investment.

“(Legislators) really need to look at the long term, because the dollars they invest in educating students at a community college has a tremendous return on investment,” Boggs said. “These are people who get higher-paying jobs, who stay employed in high-demand industries. All that money circulates to improve the economies of communities and states and ultimately, the nation.

“It really is a long-term investment in the state and in the nation that we all will benefit from. A better trained work force helps raise all boats.”

References:


2. The Delta Cost Project on Postsecondary Education Costs, Productivity, and Accountability is a non-profit organization dedicated to improving college affordability by controlling costs and improving productivity.


5. Delta Cost Project, 15.

7. SB 6562 Senate Bill Report [8].


12. Ibid.


16. Education Policy Center [3], 17.

17. Ibid [3].


About the Author

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