10 CHALLENGES FACING COMMUNITY COLLEGES

The coming years will bring both new and familiar issues, but our institutions' ability to innovate also offers new opportunities.

BY J. NOAH BROWN

ALMOST A DECADE AGO, I WROTE IN THIS MAGAZINE about the one constant in life…change. Economic changes at that time drove changes at our colleges. Throughout the nation, community colleges experienced higher-than-ever enrollments while state funding continued to decline.

The decade that followed has been an unprecedented one for the community college sector, defined by the greatest federal support since Harry S. Truman's administration first recommended in 1947 making community colleges as universally available as K-12 public schools. Driven by a need for affordable and practical higher education during the Great Recession, our institutions became regarded as life-savers rather than outliers, while at the same time, both the federal government and our sector itself were driven to place a greater-than-ever emphasis on accountability and student outcomes.

As we enter a new era, many of the challenges we face today are difficult. But we thrived then, and we have the power to thrive in coming years as long as we continue to innovate and to make wise decisions, particularly in the critical areas detailed below.

A Changed Political Landscape

The political direction of our country changed overnight on November 8, 2016. One political party controls the White House, both houses of the U.S. Congress, 33 governorships, and 32 state legislatures. However, it is a mistake to assume that the Republican party is unified and homogenous – witness the recent struggles with repealing and replacing the Affordable Care Act. The bipartisanship gridlock may or may not give way to action, and those actions are likely to place a greater priority on reducing the role of the federal government — both in terms of funding and oversight. Despite the political sea change, the focus will remain on cost, accountability, and outcomes.

The Great Recession honed our colleges' already high-performing, practical job training expertise. Newly appointed Secretary of Education Betsy DeVos celebrated community colleges for these services, and we expect that the new administration will continue an emphasis on job training, workforce development, technical education, and rebuilding the middle class — certainly a role we fill. At the same time, there likely will be a repeal or weakening of certain regulations and protections, such as gainful employment.

In recent years, the federal government has attended closely to the poor performance and outcomes — as well as some predatory marketing and financial aid tactics — of private for-profit colleges and universities. We have seen signs that the new administration will view this sector with considerably more charity than the previous one.

The spotlight on community colleges for the better part of a decade illuminated many of our best qualities — offering access to high-quality higher education for all Americans at an affordable cost, yielding high returns on students' and taxpayers' investments, and getting people to work. That spotlight may well drift away from our colleges, and we should be prepared to redouble our efforts to leverage the goodwill and public faith that better understanding has levied upon us.

Financial Challenges and Constraints

Our colleges have seen a 20-year decline in state support. Per $1,000 of personal income, state and local resources invested into higher education declined from $7.37 in 1984-85 to $5.28 in 2014-15. In April, the State Higher Education Executive Officers (SHEEO) association released a report showing that state support increased by an average 3.2 percent from 2015-16, and declined in 17 states. While the majority trend has been to increase investment, the landscape remains rocky and state funding for colleges and universities still have not been restored to pre-recession levels.

Illinois has taken a particularly hard hit, with nearly no higher education budget over the past two fiscal years. Illinois last passed a full state budget in the 2014-15 fiscal year, and support for community colleges has suffered tremendously as a result. The SHEEO report notes that Illinois's support of its higher education institutions has dropped by 80 percent.

There are distressing signs that this situation may well be replicated in other states — most recently in New Mexico, where the governor and legislature came to loggerheads over the higher education budget, and Oklahoma, which saw a 12.6 percent decrease in state funding last year — giving it the dubious distinction of being second to Illinois.

On top of funding turbulence, performance-based funding, now adopted in 32 states, represents another challenge that will continue to grow in importance for our institutions, placing more emphasis on performance and outcomes.

Declining Enrollments

According to the American Association of Community Colleges (AACC), public community college enrollment declined 9.6 percent over the past three years, from 6.3 million students in 2013 to 5.7 million in 2016. Declining enrollment will make increasing educational attainment goals, such as Lumina Foundation's Goal 2025 to increase credentials by 60 percent, harder to achieve. Market share competition will continue to increase throughout the higher-education sector. The past indeed is prologue — private, for-profit enrollments may encumber rather than enable degree and certificate attainment while riddling students with debt. Recent trends of dual enrollment, improved alignment of standards, institutional partnerships, and a focus on college readiness are more important than ever to ensure that students will not be lost in translation from high school to higher education.

Financial Aid

Federal student loan debt has surpassed $1.3 trillion. This astounding debt load may transfer inequity to generations of younger Americans, with ripples that could change everything about American lives. High student loan debt prevents young adults from qualifying for or even wanting to purchase homes — and in some cases, automobiles. At the same time, responsibility for providing student assistance has continued to shift to Washington. The federal government provides 63 percent of all student financial assistance, with states contributing only 12 percent. As a result of the federal government's role as majority shareholder, increased public scrutiny and calls for better educational outcomes are inevitable.

At the same time, higher education tuition and fees continue to rise at an astounding rate. According to the College Board, the average four-year tuition and fees at a private American university was $134,600 in 2015; by 2033, it is estimated to be $323,900. Public in-state tuition is far more reasonable, at $39,400 in 2015, but the rate of increase is equally shocking, projected to rise to $94,800 by 2033. This debt alone makes upward mobility and independence a challenge — and it is vital to recognize that these costs represent only *direct expenses paid to institutions*, and do not include room and board, books, supplies, equipment, transportation, and other mandatory expenses. We know that the average community college student must cover $7,500 in living expenses beyond tuition and fees — a fact that is typically lost on policymakers.

The role of community colleges in this debt economy may become profound, just as it was in the post-recession economy. However, in order to fulfill our promise to educate all Americans at an affordable cost, we'll need to develop a true long-term plan for stability. College Promise programs have expanded to over 200 programs nationwide, with activities in over 30 states including six statewide programs in Arkansas, Hawaii, New York, Oregon, Rhode Island, and Tennessee. It seems that Promise programs are popping up every day, led by local and state leaders who are struggling with maintaining access to the education and training opportunities afforded to students through community colleges.

College Completion and Student Success

We know that college completion is the most effective solution for effective, real, and sustained progress. Attainment of a degree or credential is directly correlated with increased earnings, and students who expend the time and money necessary to attend college but do not finish unfortunately stand to benefit little economically from what they learned.

More than 31 million students over the past two decades have enrolled in college and left before earning any credential, according to a 2014 report from the National Student Clearinghouse Research Center. Of these, 35.6 percent exclusively attended two-year colleges, and 28.8 percent attended both two- and four-year institutions. More troublingly, only 20 percent of certificate and degree seekers graduate with their intended credentials, according to AACC. Community colleges must continue to emphasize the importance of persisting until graduation, and to find innovative means to help students succeed. When faced with a scarcity of resources, our colleges can stem the growing conundrum of how to do more with less by focusing efforts on enabling persistence and completion.

Degrees of Relevance

A great share of students attend community colleges with a primary goal of improving job prospects and earning potential. In recent years, some primarily two-year-degree-granting colleges have begun to offer select four-year bachelor's degrees. This movement has been focused on responding to the needs of our community partners; for example, many hospitals now require entry-level nurses to possess a bachelor of science in nursing. Because so many community colleges are relied upon to meet the demand for qualified nursing staff, many have introduced bachelor's degree programs in nursing in recent years.

ACCT believes that the decision to offer a four-year degree at a community college is best delegated to the college's board, through its mission and policy-setting role that guides operations of the college and its role in addressing the needs of the community. The focus on pathways to the baccalaureate degree through community colleges — including through distance learning, university centers, and improved transfer and articulation agreements — is the new normal. Providing access to an affordable baccalaureate degree and, increasingly, to a technical and/or applied baccalaureate degree demanded by industry aligns with the new political focus to empower the middle class.

Employment and Earnings

Community colleges always have specialized in preparing students for real jobs in their communities and increasing their prospects for increased earnings. Right now, millions of working people feel disconnected from our economy and social and political institutions — they no longer believe that they and their children will be better off than earlier generations were.

Our sector is getting better at this. EMSI, a company now owned by CareerBuilder that originally launched with support from ACCT, is expanding its already well-established economic modeling to determine returns on investments in community colleges by their communities, students, businesses, and others. Through this work, EMSI and other companies like it are helping colleges to better align their offerings, including certificates and degrees, to their local labor markets and employer needs. With the benefit of these insights, our institutions will become better equipped to improve employment and earnings throughout

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the nation. New analytics and research hold great promise to further cement the impressive ROI of community colleges to society through increased educational attainment and career relevance.

Business Models

The two-year college business model, as is the nature of all educational sectors, is being changed tremendously by developing technologies, economic forces, and other factors. As we evolve, our colleges must continue to anchor all governance and operations to our commitments of open access, educational quality, persistence, and college completion. Access and quality are historic mainstays; persistence and completion are newer mandatory add-ons, as we know that these factors are inextricably tied to employment and earnings.

Operationally, doing more with less, as many colleges have been forced to do in recent years, is not sustainable. In coming years, we'll see colleges focusing more on core strengths and their own niche markets. For institutional sustainability, the focus is shifting to public/private partnerships and supplanting traditional income streams. In short, the new normal will be doing less with more. Our colleges have been lauded by the new Secretary of Education for our flexibility, entrepreneurial spirit, and risk-taking. These will be our advantages in the higher education sector, and they should be our focuses as we move ahead.

Technology

Brick-and-mortar classrooms will always have a place. However, with distance learning enabled by brilliant course designs and new technologies, colleges should think about relying less on physical infrastructure. Historically, opening new buildings and campuses has been a cause for celebration and done whenever possible. Today, we should ask whether these physical expansions are truly needed, or possibly even liabilities.

MOOCs (massive open online courses) and distance-learning programs are popular, and colleges should be looking at how these programs impact program and service delivery. According to the late John Ebersole, former leader of Excelsior College, online education could be boosted by 6 to 8 percent by an increased focus on workforce and occupation readiness. Predictive analytics and data-informed decisions increasingly will drive technological applications in ways unimagined just a decade ago.

Leadership

Over the past several years, we have seen an unprecedented leadership exodus as college presidents have retired in droves, leaving a dearth of experienced and skilled chief executives to lead colleges. This is a challenge that gives us the opportunity to feed the leadership pipeline more intentionally. Interviews with newly minted presidents reveal a profound paucity in applied knowledge relative to the changing nature of their role. To lead successfully, networked leadership must become the hallmark of the future president, along with familiarity with analytics, recombinant resource development, co-creation, and strategic partnership skills. New times require new skills, and we must endeavor to meet the new and varied pathways that will assure the supply of innovative leadership now and in the future.

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