Doing More With Less: The Inequitable Funding of Community Colleges

EXECUTIVE SUMMARY

Introduction
Increasing the proportion of Americans whose levels of educational attainment extend beyond a high school diploma is a broad national priority. Attaining the ambitious goals that have been articulated will require the additional education of traditional-age students entering college directly from the K–12 system, as well as reengaging millions of young adults and experienced workers. Community colleges, which educate nearly half of all undergraduates, are committed to being a part of the solution.

The role of community colleges in helping people and the government respond to the current economic crisis and meeting widely articulated goals for college completion has resulted in an unprecedented amount of attention on the colleges, accompanied by heightened expectations. However, the thesis of this brief is that significantly increasing outputs from community colleges can be achieved only with increased resources. Compared to other sectors, community colleges have not received a fair share of funding in light of their role in the country’s higher education system. Improvements in the delivery of community college education cannot overcome the stark reality of inadequate funding.

In this brief, I compare the funding of community colleges to that of other sectors of higher education, to set into context the challenges community colleges face as well as to highlight the policy priorities implicit in addressing funding inequities. To that end, I describe

• The magnitude of inequities between institution types.
• Some consequences of the inequities.

The Magnitude of Funding Inequities by Sector
To consider one dramatic statistic, community colleges received just 27% of total federal, state, and local revenues (operating and nonoperating) for public degree–granting institutions in 2007–2008 while serving 43% of undergraduate students. This imbalance in funding public institutions results from a number of state and federal funding priorities. For example,

• Community colleges have historically received just 20% of the state tax appropriations for higher education.
• Judged through a variety of metrics, community colleges received considerably fewer federal funds than do other sectors of higher education.

Consequences of Inequitable Funding
Community colleges educated 43% of all undergraduate students in 2007, including the greatest proportion of underrepresented students: 53% of Hispanic, 45% of Black, 45% of Asian/Pacific Islander, and 52% of Native American undergraduates. Given that projected shifts in the U.S. population indicate that increasing numbers of college students will come from these backgrounds, community colleges are critical doorways to true educational equality.

Community colleges have concentrated what money they do receive on instruction. They spent 44.5% of education and general funds on instruction compared to 39.6% at private research institutions and 36.1% at public research institutions. Their faculty earn less and teach more than colleagues in other sectors of higher education. In part because of the fiscal free-fall that state treasuries took beginning in 2008, community colleges are now having to turn away students from needed programs. This is an extremely troubling development.

Moving Forward
In July, 2009, the Obama administration announced its American Graduation Initiative (AGI), a plan to place community colleges at the forefront of the country's effort to regain global prominence in higher education attainment, with funding to help accomplish the task. Some argued that such an action placed, for the first time in federal policy, one sector of higher education ahead of others. But AGI has to be considered in the context of the broader funding of community colleges.

The ability of community colleges to serve their students and communities is due in large part to the investment of federal, state, and local governments and federal agencies; however, increasing productivity by 50%, as envisioned by the Obama administration’s call for five million more community college graduates, will be possible only if resources are significantly increased. The $2 billion available to higher education as a result of the Health Care and Education Reconciliation Act of 2010 via the Community College and Career Training grant program is a strong start, but those funds can be viewed only as a down payment on needed federal investments that must be accompanied by a resolution of structural funding inequities.