



## PUBLIC POLICY ADVISOR

### Community Colleges at the Crossroads

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The shock of precarious economic conditions, severe questioning of the American educational establishment and its capabilities to provide both access and quality, a dampening of the seemingly unquenchable spirit of optimism once held by community college boosters—all of these and more combined to turn the early 1980s into a time of uncertainty. Has the community college movement become fatigued? Complacent? Is it living off the energy and drive of days gone by? Is it in danger of losing its uniqueness, its special contributions to American education?<sup>1</sup>

#### INTRODUCTION

After 100 years of relative growth and prosperity, community colleges have reached a crossroads: With an increasingly diverse student body, rapid changes in technology, and limited financial resources, these institutions no longer can afford to be all things to all people. If community colleges are to continue to be useful instruments of social change, they must determine what they do best and invest their resources, talents, and energies in only those things.

Unfortunately, deciding the most appropriate role of community colleges is not an easy task. To their credit, they do many things well. (In fact, if they had not been so skillful and resourceful in the past, they might not be facing so many challenges today.) Yet, without objective evaluation measures, it is difficult to determine each institution's greatest strengths. When it comes to evaluating their social contribution, those on the inside—who understand community colleges and know their capabilities—want to protect their interests and, therefore, tend to place the institutions in a favorable light. Those on the outside—who should be more objective—often misunderstand community colleges, seeing them only as poor second cousins of four-year universities. These outsiders tend to judge the schools too harshly, or worse yet, dismiss them without serious consideration.

Adding to the confusion are the vastly different expectations that different sectors of society have of these institutions. The manufacturer who wants a well-trained, highly skilled employee expects community colleges to put job training programs first; universities, which accept their transfer students, want liberal arts courses to receive top priority. Students who do not complete high school expect community colleges to provide remedial education classes; minority and underprivileged students want more emphasis placed on academic counseling and special programming.

Funding for community colleges is another point of controversy. Absent more state dollars, government officials expect community colleges to increase millage rates or raise tuition to finance their programs; the general public, students, and parents, for obvious reasons, want them to keep millage and tuition rates low.

1 Thomas Diener, *Growth of an American Invention: A Documentary History of the Junior and Community College Movement* (New York: Greenwood Press, 1986), p. 229.

Public Sector Consultants (PSC) believes that if community colleges do not begin, individually and as a group, to grapple with these difficult issues, they will be in danger of losing their unique place in the education community. In the competitive world of the 21st century, community colleges cannot allow themselves to be lulled into complacency by past successes and enormous growth. Instead of simply reacting to the ebbs and flows of societal demands, these institutions must begin to work together to drive the debate about what society needs from education and determine how community colleges can best meet those needs. In the act of trying to be all things to all people, they must never lose the ability to be true to themselves.

PSC contends that the most important role of community colleges in the next century is to provide quality education at a reasonable cost to as many people as possible. To do that, they must work harder to recruit and retain nontraditional students; anticipate better the demands of a diversified, global market; be more creative about financing future endeavors; and work together to promote better understanding of the two-year institution. Community colleges also must abandon any dreams of becoming four-year universities and focus their efforts, instead, on maximizing the benefits of being two-year colleges.

Most important, however, PSC believes that community colleges must take the lead in the decision-making process. Administrators and faculty must be willing to go out into the community, determine its short- and long-term needs, and work with its members to find innovative ways to meet those needs. Leadership and a willingness to take risks after all are the two factors that made community colleges an essential part of the education system throughout the 20th century.

This paper explores the evolving role of community colleges throughout the 1900s and examines the factors most likely to influence their role in the future. Then, within that context, it makes specific recommendations about actions community colleges should take now to maintain their social value and standing in the education community.

## HISTORY

Although two-year colleges have undergone numerous and sweeping changes since their inception, the evolution of their role in society can be divided into four broad phases.<sup>2</sup> The first phase began in the late 1800s when highly regarded educational administrators—such as William Rainey Harper, then president of the University of Chicago, and Henry Tappan, then president of the University of Michigan—began criticizing publicly the inefficiency of four-year universities.<sup>3</sup> Teaching basic education courses to underclassmen, these administrators claimed, was a waste of faculty talent. The highly cultivated skills of university instructors were much better suited to the rigors of research and the challenge of teaching more knowledgeable, mature students. Harper, Tappan, and their supporters suggested that the basics could be taught more appropriately by high school teachers, as was done in Germany, or by less scholarly instructors in smaller (hence, junior) colleges.

During the second phase of development, two-year institutions began to recognize that many students had no need or desire to transfer to a university; they did, however, need to cultivate more advanced skills than those acquired in high school in order to obtain gainful employment. Hence, the distinction first was made between transfer and terminal students. By the late 1920s, it was not unusual for these institutions

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2 Diener, *Growth of an American Invention*, p. 203.

3 Willis F. Dunbar, *The Michigan Record in Higher Education* (Detroit: Wayne State University Press, 1963), pp. 238–248.

to offer vocational-technical training courses alongside introductory classes in literature, math, and science.<sup>4</sup>

The third phase of the junior college movement came after World War II.<sup>5</sup> At that time

the fear of communism created in Americans a desire to unify and seek out enemies foreign and domestic. Everywhere citizenship training was promoted to develop national unity and agreement upon common values. Junior college advocates did not lose sight of the worker, but they rallied around the loftier goal of preparing loyal citizens.<sup>6</sup>

Enrollment climbed in classes such as American History, American Government, and American Literature, and junior colleges joined the K-12 system as places where young Americans were socialized.

In the 1950s there was a fundamental change in the role of junior colleges. In Michigan the shift was initiated by the superintendent of public instruction, Lee M. Thurston, who, in 1951, recommended that all statutes concerning junior colleges be amended by inserting the word *community* for the word *junior*. Doing so, he said, would send a message that these institutions should be community centered (that is, serve the needs of the community) as well as student centered.<sup>7</sup>

During this period—the fourth phase—several changes occurred: (1) Most two-year institutions changed their names from junior to community colleges, (2) the total number of students enrolled in community colleges jumped from 4.6 percent to 17 percent of students enrolled in higher education institutions, (3) and regular state aid for community college students was instituted.<sup>8</sup>

Today two-year institutions reflect all of these changes. Unlike other schools of higher learning, they provide at a reasonable cost general education, job training, technical instruction, and job skills to all people regardless of age, race, gender, ability to pay, or ability to meet previous scholastic standards. These institutions also offer remedial programs to people lacking college entrance skills, provide opportunities for adults to continue their education and for people of all ages to pursue new hobbies and leisure activities, and act as a gateway for students not yet prepared to enroll in four-year universities. Michigan's 29 community colleges provide these services to more than 200,000 people each year. (See Exhibit 1.)

One of the most pressing problems facing community colleges in the next century is this: As much as society needs and wants the valuable services they provide and with an increasingly diverse student body, limited state and local resources, and the need to keep tuition low, it will be extremely difficult for community colleges to continue to respond to all the demands placed upon them. Furthermore, with technology changing at such a rapid pace and an increasing need for skilled workers, it will be impossible for community colleges to change their curricula fast enough to provide job training and retraining services as well as quality general education.

Unfortunately, it is not easy to decide which services society is willing to do without or how to fund community colleges so that the services can be continued. The question, thus, becomes: What will the fifth phase be in the evolving role of community colleges in America, and what steps should be taken now to ensure that they remain socially useful?

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4 Dunbar, *The Michigan Record in Higher Education*, pp. 238–248.

5 Diener, *Growth of an American Invention*, p. 204.

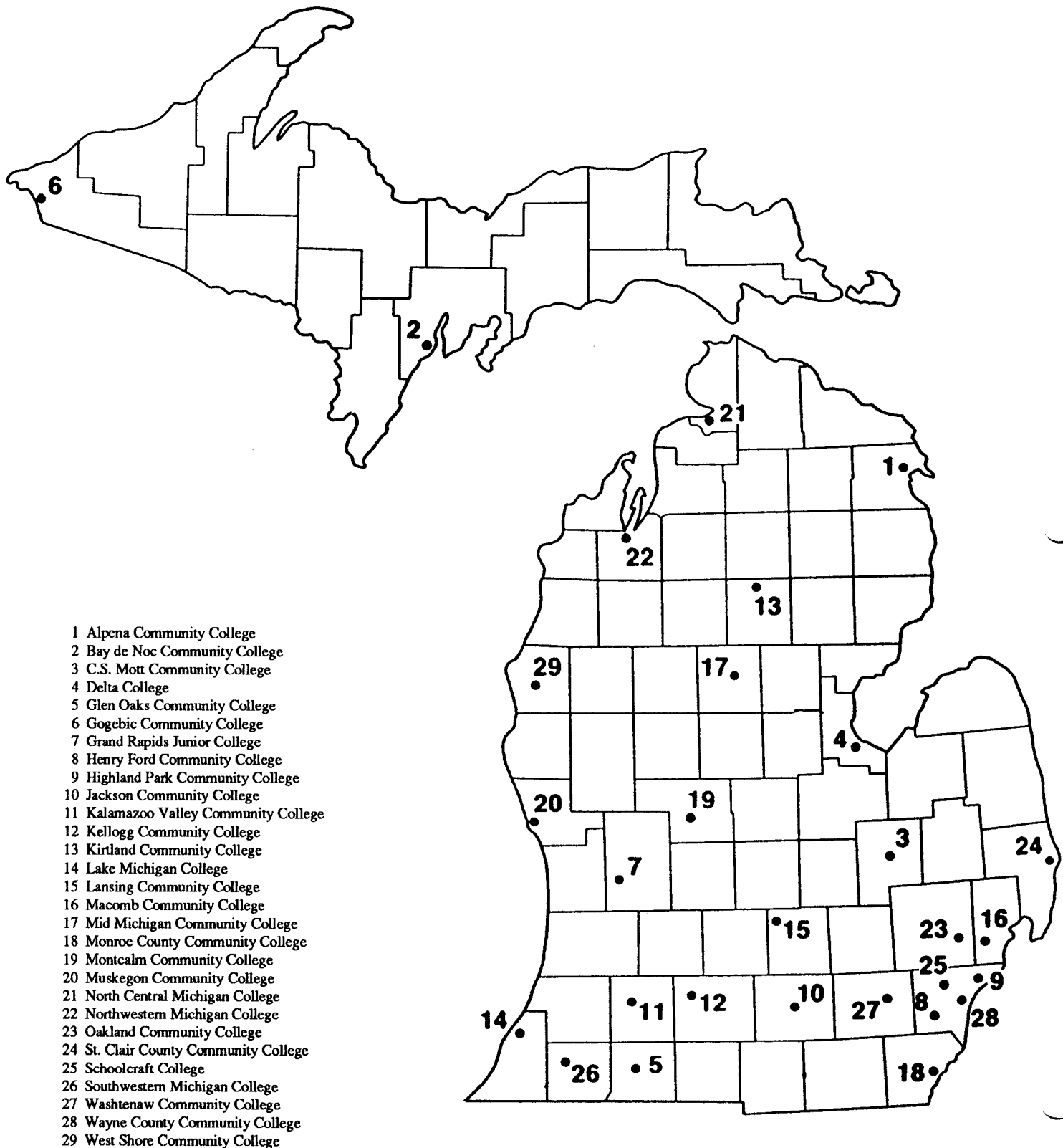
6 Ibid.

7 Ferris N. Crawford, "Perceptions Concerning the Historical Concepts Leading to Community Colleges in Michigan" p. 4.

8 Dunbar, *The Michigan Record in Higher Education*, pp. 238–248.

## EXHIBIT 1

## Michigan's Community Colleges



## SETTING THE STAGE

Four factors, in particular, will influence whether community colleges can maintain their social utility in the next century: the composition of the student body, the demands society makes of higher education, the rate of technological change, and funding levels.

### The Student Body

In the next century, the community college student body will be more diverse than at any other time in history. The traditional white, 18- to 24-year-old, full-time student no longer will represent the majority. Instead, students of all ages, races and socioeconomic and cultural backgrounds will fill hallways and campuses looking for a plethora of educational opportunities.

The community college student of tomorrow likely will fall into at least one of the following categories.

1. **Nonwhite.** In 1985 only 49 percent of white families in the United States had children under age 18 compared to 59 percent of black families and 66 percent of Hispanic families. Of these, less than 10 percent of whites had three or more children compared to 17 percent of blacks and 22 percent of Hispanics.<sup>9</sup> Add to that the fact that immigrants will make up the largest share of the increase in the population in the next ten years, and it becomes clear that young whites no longer will be the majority. Since minorities enroll in community colleges more often than in any other type of higher education institution, this change in the population likely will be reflected in community college enrollment. (See Exhibit 2.)

2. **Aged 25 or older.** In 2000 half of the work force will be between the ages of 35 and 55.<sup>10</sup> With fewer young people entering the labor market, there will be a need to educate and retrain these older workers. As a result, the average age of community college students will rise.

3. **Part-time student.** A four-year trend indicates that the enrollment of part-time students in Michigan community colleges is increasing steadily. According to the Department of Education, in 1986, 156,800 students were enrolled part time compared to 164,090 in 1989, about a 5 percent increase. It is expected that the number of part-time students will continue to grow as enrollments of people with other obligations (i.e., women with children, employees seeking new skills, high school students, and elderly people) increase.

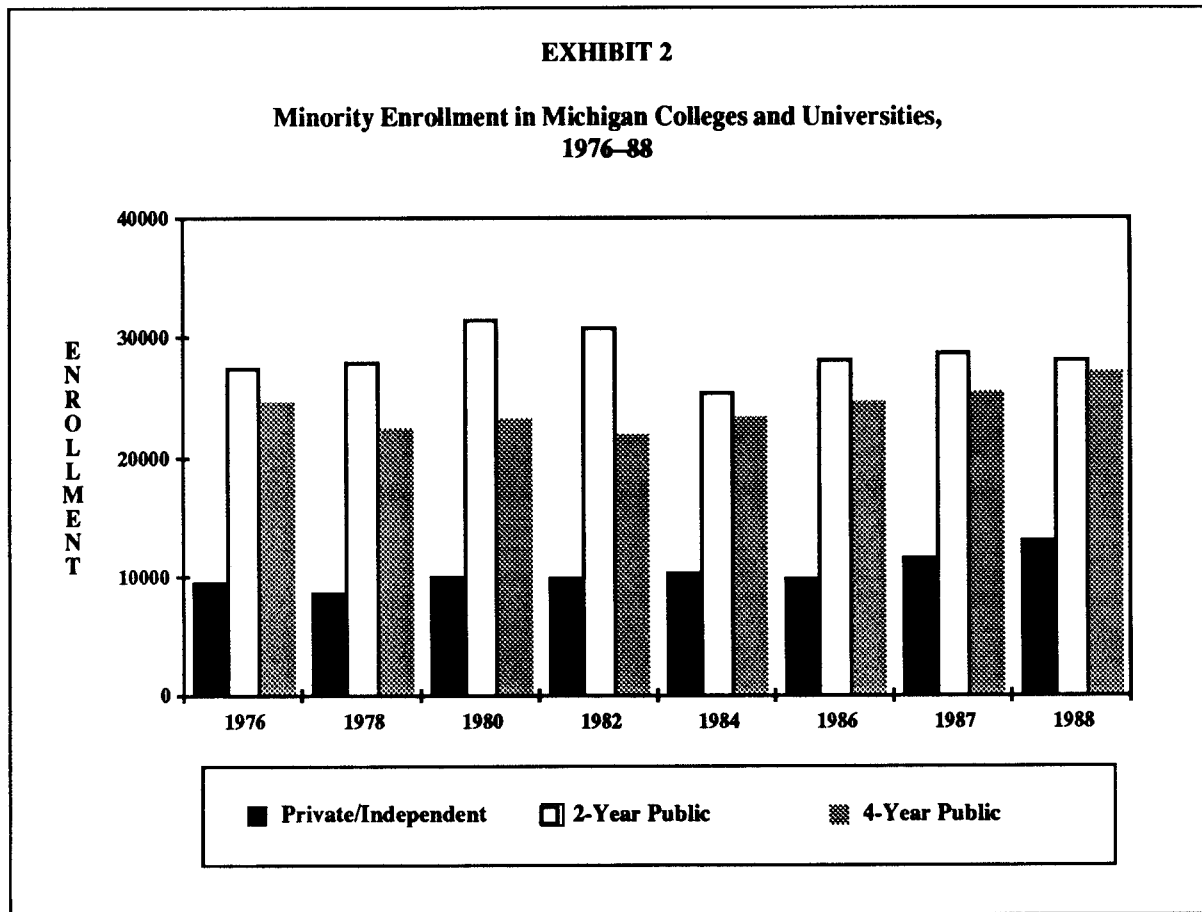
4. **Attending school to obtain or update current job skills.** In 1980 the half-life of occupational skills—that is, the time it takes for current job skills to become outdated—was 7–14 years; today it is 3–5 years.<sup>11</sup> As technology advances at faster and faster rates, the half-life of occupational skills will continue to decrease. Therefore, more people will need to return to school more often to update their skills.

5. **Enrolling in noncredit courses.** As successive generations of workers live longer and retire in good health, there will be a marked increase in their participation in community college noncredit courses. This will be true particularly for aging baby boomers, the majority of whom, having attended colleges and universities in their younger years, are well acquainted with the higher education system and feel comfortable using the classroom as an avenue to pursue new hobbies and leisure activities.

9 "A Field Guide to the U.S. Economy," The Center for Popular Economics, 1987, Exhibit 4.15.

10 Public Sector Consultants, "Debating Michigan's Future: Toward the Year 2000," 1987, p. 36.

11 From Dr. Willard R. Daggett, Director of Occupational Education for the State of New York; Countdown 2000, Governor's Cabinet Council on Human Investment, Lansing, Michigan; and William T. Grant Foundation's Commission on Youth and America's Future, Washington, D.C.



As the student body becomes more diverse, so will students' educational expectations and needs. Community colleges, thus, will be called on to provide a wider variety of classes at unconventional times and in less traditional settings. In addition, these institutions will have to tailor the way professors teach to fit better the way older students with more life and work experience learn. Because a significant number of students will come from groups that have had to overcome substantial barriers to education—such as language difficulties, cultural differences, and a lack of familiarity with the higher education system—community colleges also will be called on to provide appropriate role models and make available more academic counseling services.

All of these changes, and many others, mean that community colleges will have to be even more versatile and flexible than they have been in the past. They will have to monitor carefully the changing educational needs of students and consistently alter their curricula to meet those needs.

### Societal Expectations for Higher Education

People often think mistakenly that students are the only consumers of higher education; they forget that it is the public and private sectors that use the products of the higher education system. Therefore, community colleges also will have a responsibility to monitor the needs of those sectors and adequately prepare students to meet them.

In the past Michigan businesses have demanded very little from higher education institutions, primarily because the majority of jobs required, at most, a high school diploma. Instead of needing well-educated employees, employers needed workers who were punctual, could follow instructions, and had a great deal

of physical strength and stamina. With the advent of international competition and the shift toward a service economy, however, very different demands will be placed on higher education.

To remain competitive, employers will need self-motivated workers with strong basic reading, writing, and computational skills. They also will need workers who learn quickly, work well independently and in groups, find creative solutions to problems, organize and communicate ideas verbally and in writing, set realistic goals, and resolve conflicts. Furthermore, because we now are operating in a global marketplace, employers will want workers who understand other cultures and can speak other languages, particularly those of non-European countries.

These kinds of skills, unfortunately, cannot be acquired simply by listening to lectures, memorizing facts, and taking multiple choice exams. Instead, community colleges will have to find more creative ways to teach students how to comprehend, reason, and communicate as lifelong skills.

### **Technology**

Since the early 1900s, when community colleges first recognized the growing need for vocational-technical education, these institutions have become key players in job training and retraining efforts. As a result, their ability to be socially useful has come to depend, in large part, on their ability to stay abreast of technological change.

This has not always been difficult. In the 1960s, for example, the generation of technology (the time it takes for technology and equipment to become outdated or obsolete) was 12–15 years.<sup>12</sup> This allowed community colleges ample time to budget for new equipment and to hire faculty who not only knew how to teach but also how to operate the advanced machinery.

In the 1990s, however, keeping up with technology will be one of the most difficult challenges facing these institutions. In 1989 the generation of technology was 2 years, and it is predicted that in this decade it will drop to about 3–6 months.<sup>13</sup> If this prediction is accurate, the implications for community colleges will be staggering. First, there will be no way two-year institutions can educate students fast enough so that their skills will be up to date and marketable upon graduation. Second, they will not be able to afford to replace costly training equipment on a monthly basis. Third, faculty members will have a difficult time keeping up with technological advances themselves let alone teaching others about them.

Hence, to maintain their reputation as leaders in providing job training and retraining, community colleges will have to explore other ways to provide technical instruction as well as alternatives to the traditional full-time vocational/technical instructor.

### **Funding**

Community colleges currently have three funding sources: state aid, local property taxes, and tuition. (Other sources such as endowments and investments contribute only 5 percent of their revenue.) Most would agree that, for community colleges to (1) fulfill the demands of the future student body, (2) meet the needs of the business community, and (3) keep abreast of technological changes, levels of funding will have to increase. Given the political and economic climate in Michigan, however, increased funding is not likely to come from current sources. Following is an explanation of each source of funding and reasons why increases are not likely.

<sup>12</sup> From Daggett, Countdown 2000, and the William T. Grant Foundation.

<sup>13</sup> Ibid.

**State Aid** Between FY 1979–80 and FY 1982–83, when Michigan experienced a sharp downturn in its economy, state aid allocations to community colleges plummeted. The state's appropriation per full-time student dropped from \$1,149 to \$1,025 and from 47 to only 36 percent of total community college revenue.

Since that time, the legislature has been reversing this trend gradually. As a result, state appropriations over the past five years have increased at a relatively stable rate—on average, 5.6 percent each year. (See Exhibit 3.) Unfortunately, the rate of inflation (based on the consumer price index) during that same period increased an average of 4.8 percent each year. If appropriations and the CPI continue to increase at recent historical rates, community colleges may be able to continue providing current services but not to provide the additional or improved programs necessary to meet future demands.

Despite the fact that Michigan's economy has grown stronger since the recession, most economists agree another downturn (the severity of which is not certain) will occur sometime early in the decade. As a result, the battle over state dollars will become fierce, and the governor and legislature will not be inclined to provide substantial increases in appropriations to education. (If they are so inclined, increases most likely will show up in K-12 and public university budgets.) Therefore, community colleges will have to look elsewhere for increases in funding.

**Property Taxes** A percentage of community college annual revenue comes from property taxes levied through a vote of the people living in the college service district. (About 7.2 million of Michigan's 9.1 million residents live in a community college district.) The funding from this source depends on the valuation of the property in the district and the willingness of voters to approve a millage.

To offset steadily decreasing state appropriations between FY 1979–80 and FY 1982–83, local property taxes increased substantially. Michigan Department of Education (MDE) statistics show that

### EXHIBIT 3

#### History of State Appropriations to Michigan Community Colleges, FY 1979–FY 1990

| Year       | Total State Appropriation<br>(in millions) | % Change Over<br>Previous Year | % of Total Community<br>College Revenue |
|------------|--|--------------------------------|---|
| FY 1978–79 | \$121.9                                    | —                              | 48.4                                    |
| FY 1979–80 | 132.6                                      | 9                              | 46.9                                    |
| FY 1980–81 | 118.7                                      | –11                            | 39.1                                    |
| FY 1981–82 | 123.5                                      | 4                              | 37.5                                    |
| FY 1982–83 | 135.0                                      | 9                              | 36.1                                    |
| FY 1983–84 | 144.7                                      | 7                              | 36.9                                    |
| FY 1984–85 | 159.3                                      | 10                             | 38.8                                    |
| FY 1985–86 | 175.4                                      | 10                             | 40.6                                    |
| FY 1986–87 | 188.2                                      | 7                              | 41.3                                    |
| FY 1987–88 | 196.6                                      | 4                              | 40.0                                    |
| FY 1988–89 | 201.4                                      | 2                              | 38.7                                    |
| FY 1989–90 | 212.5                                      | 5                              | NA                                      |

SOURCES: *Michigan Community Colleges 1986–87 Activity Classification Structure Data Book*, State Board of Education; *Executive Budget Book*, FY 1988–89 and FY 1989–90.



Michigan's local support per community college student in 1979-80 was 63 percent higher than the national average; by 1982-83 it exceeded the national average by 106 percent. In FY 1987-88, about 25 percent of community college revenue came from property taxes, and local support per student averaged \$1,081. (See Exhibit 4.)

Because Michigan already relies heavily on the property tax to support education, it is very unlikely that community colleges will be able to look to this source for additional dollars. In fact, it is possible, with the current push for property tax relief, that community colleges will derive less revenue from this source in the future.

**Tuition** The MDE reports that since 1978, community college tuition has increased steadily. In FY 1982-83 tuition and fees reached historic highs (\$926 per full-time student, which was 54 percent higher than the national average), constituting 33 percent of total community college revenue. In FY 1987-88, Michigan's average community college tuition was \$1,142, tuition and fees constituted 29 percent of total community college revenue, and Michigan's average tuition and fees exceeded the national average by 189 percent. (See Exhibit 5.)

Of the three sources of funding available to community colleges, increasing revenues by raising tuition would have the most devastating effects. The hallmark of the community college, since its inception, has been its ability to provide quality education at a reasonable cost. Raising tuition would be extremely counterproductive in that it would prohibit the very students these institutions were created to serve from entering their open doors.

The problem is, if society expects community colleges to provide more and better services in the next century, it will have to pay for them. Unfortunately, the sources of funding available to these institutions appear to have been exhausted.

#### EXHIBIT 4

##### History of Local Support Per FYES in Michigan Community Colleges, FY 1979-FY 1989

| Year       | Average Local<br>Support Per<br>FYES | Number of<br>FYES | Total Revenue<br>Generated From<br>Property Taxes<br>(in millions) | % Change Over<br>Previous Year | % of Total<br>Community<br>College Revenue |
|------------|--------------------------------------|-------------------|--|--------------------------------|--|
| FY 1978-79 | NA                                   | 108,243           | NA   | NA                             | 23.7                                       |
| FY 1979-80 | NA                                   | 115,443           | NA   | NA                             | 23.5                                       |
| FY 1980-81 | NA                                   | 123,618           | NA   | NA                             | 25.6                                       |
| FY 1981-82 | \$690                                | 127,163           | 87.7   | NA                             | 26.4                                       |
| FY 1982-83 | 751                                  | 126,785           | 95.2   | 8.5                            | 26.5                                       |
| FY 1983-84 | 776                                  | 124,290           | 96.4   | 1.3                            | 25.5                                       |
| FY 1984-85 | 869                                  | 113,152           | 98.3   | 2.0                            | 25.1                                       |
| FY 1985-86 | 950                                  | 109,912           | 104.4  | 6.2                            | 25.3                                       |
| FY 1986-87 | 996                                  | 111,503           | 111.1  | 6.4                            | 25.4                                       |
| FY 1987-88 | 1,081                                | 114,524           | 123.7  | 11.3                           | 26.0                                       |
| FY 1988-89 | 1,122                                | 117,652           | 131.9  | 6.6                            | 26.0                                       |

SOURCES: *Michigan Community Colleges 1986-87 Activity Classification Structure Data Book*, State Board of Education; *Executive Budget Book*, FY 1988-89 and FY 1989-90; Michigan Department of Education.

**EXHIBIT 5**

**History of Average Tuition and Fees  
Per FYES in Michigan Community Colleges,  
FY 1979–FY 1989**

| <b>Year</b> | <b>Average Tuition<br/>and Fees Per<br/>FYES</b> | <b>Number of<br/>FYES</b> | <b>Total Revenue<br/>Generated from<br/>Tuition and Fees<br/>(in millions)</b> | <b>% Change<br/>over Previous<br/>Year</b> | <b>% of Total<br/>Community<br/>College Revenue</b> |
|-------------|--|---------------------------|--|--|---|
| FY 1978–79  | NA   | 108,243                   | NA   | NA   | 23.9  |
| FY 1979–80  | NA   | 115,443                   | NA   | NA   | 25.3  |
| FY 1980–81  | NA   | 123,618                   | NA   | NA   | 28.1  |
| FY 1981–82  | \$761  | 127,163                   | \$96.8   | NA   | 30.2  |
| FY 1982–83  | 884  | 126,785                   | 112.1  | 15.8                                       | 32.6  |
| FY 1983–84  | 940  | 124,290                   | 116.8  | 4.2  | 32.4  |
| FY 1984–85  | 1,002  | 113,152                   | 113.4  | –2.9                                       | 30.7  |
| FY 1985–86  | 1,036  | 109,912                   | 113.9  | .4   | 29.1  |
| FY 1986–87  | 1,075  | 111,503                   | 119.9  | 5.3  | 28.6  |
| FY 1987–88  | 1,142  | 114,524                   | 130.8  | 9.1  | 28.6  |
| FY 1988–89  | 1,211*   | 117,652                   | 142.5  | 3.9  | 30.1  |

\*Estimate

SOURCES: *Michigan Community Colleges 1986–87 Activity Classification Structure Data Book*, State Board of Education;  
*Executive Budget Book*, FY 1988–89 and FY 1989–90; House Fiscal Agency.

**RECOMMENDATIONS**

When examining the plight of community colleges, it quickly becomes apparent that these institutions are between the proverbial rock and a hard place. At the very time society needs them to expand their services, the funds available to do so are dwindling. Thus, community colleges can (1) cut expenses by delivering fewer services to fewer people, (2) find new and different methods of financing, or (3) change the ways in which they deliver services. PSC believes that the solution must involve a combination of the second and third options.

As for the first option, Michigan, at this time, simply cannot afford to have community colleges change their mission. In the next decade, half of all jobs created will require 1–4 years of college, yet only 37 percent of the current labor force has attained that level of education.<sup>14</sup> Furthermore, because of the technological revolution, most existing jobs, even those in the service industry, will require some level of skill. As a result, higher education institutions of all kinds will play an increasingly important role throughout the next decade in keeping the state competitive.

Unfortunately, the considerable cost of attending a public or private four-year college or university has put higher education out of reach for many of the state's residents. In addition, because these institutions have little incentive to keep tuition low, future increases will put a college education even farther out of reach.

14 From Daggett, Countdown 2000, and the William T. Grant Foundation.

Society, thus, will need community colleges to continue to provide postsecondary education to those who, for a multitude of reasons—financial restrictions, familial obligations, lack of transportation, inability to meet admissions standards, lack of a high school diploma, or others—cannot attend four-year institutions.

In fact, instead of providing fewer services to fewer people, community colleges, in the future, will have to do a better job of recruiting more students. (As a colleague once said, just because these institutions have an open door does not mean students will beat a path to it, or as a performing arts impresario said: “Tickets aren’t bought, they’re sold.”) The very fact that the population will consist of those groups least likely to pursue postsecondary education means that outreach efforts will have to improve significantly.

In addition, community colleges will have to work hard to eliminate barriers to access (both real and imagined). Difficult application processes, excessive pre-enrollment requirements, and complicated registration procedures often intimidate those who are not familiar with large bureaucratic organizations. False notions of some that they are not “cut out” for college or that the system allows only those who excelled in secondary education also must be dispelled.

Community colleges must bolster their retention efforts as well. All attempts to remove barriers to access will be wasted if the students these institutions recruit drop out shortly after enrolling. Studies on retention show repeatedly that students—particularly minorities, handicappers, and the underprivileged—are more inclined to stay in school if they have sufficient role models to emulate and identify with; counselors who can tailor their academic programs to meet students’ specific educational needs; advisors who are willing to help them cut through the bureaucratic red tape; and professors and peers who are sensitive to differences in socioeconomic and cultural backgrounds.

To date, community colleges have been relatively successful with regard to outreach, access, and retention. In fact, their ability to provide services to many Michigan residents who otherwise might not pursue a college education is the very reason these institutions have been such useful instruments of social change. A more diverse student body and changes in the demands society makes on community colleges, however, will make these tasks more difficult in the future.

With regard to the second option, it appears that increases from current funding sources are unlikely. Therefore, if community colleges hope to maintain their social utility, they have no choice but to explore other means of financing their ventures. PSC believes that redistricting is one option these institutions should explore.

At present, community college districts (which consist of one or more school districts, intermediate school districts, or counties) contain less than half of the state’s land area and only 77 percent of the total state equalized value (SEV) of real and personal property. (See exhibits 6 and 7.) In lay terms, that means not everyone in Michigan is paying for the many benefits the state reaps from these institutions.

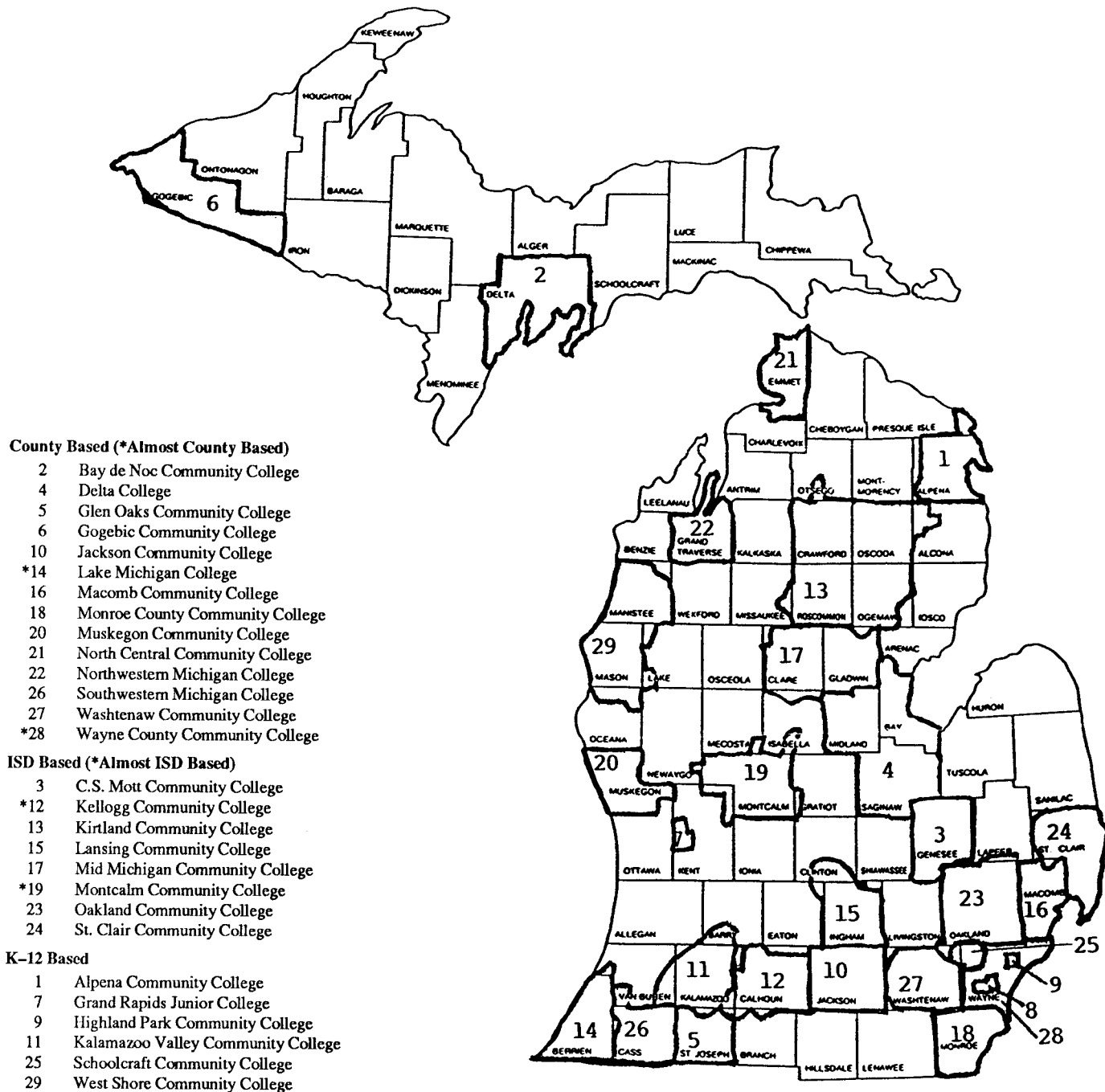
Redrawing existing borders so that all areas of the state are included in a community college district would

- increase the amount of funds available to two-year institutions, perhaps by as much as \$40.5 million each year<sup>15</sup>;

15 This estimate was made by Public Sector Consultants and was arrived at by subtracting the amount of out-of-district tuition lost as a result of redistricting from the amount of additional revenue generated by redistricting. The latter was estimated at \$48 million (arrived at by applying the state’s average levied millage rate to the value of SEV not currently included in a community college district). The former was estimated at \$8.5 million (arrived at by multiplying the average in-district tuition rate by the number of students, then taking 95 percent of that number, to allow for the 5 percent of students who still would attend a community college in a different district).

## EXHIBIT 6

## Michigan's Community College Districts



SOURCE: Michigan Department of Education.

**EXHIBIT 7**

**Community Colleges State Equalized Valuation (SEV),  
By College, FY 1986-87  
(dollars in thousands)**

| College             | FY 1986-87 SEV | SEV per FYES |
|---------------------|----------------|--------------|
| Alpena              | \$393,099      | \$298,254    |
| Bay De Noc          | 358,942        | 274,211      |
| C.S. Mott           | 4,677,358      | 866,177      |
| Delta               | 5,188,364      | 798,824      |
| Glen Oaks           | 619,776        | 863,198      |
| Gogebic             | 168,115        | 161,030      |
| Grand Rapids        | 1,569,323      | 246,168      |
| Henry Ford          | 2,089,111      | 296,202      |
| Highland Park       | 172,469        | 114,369      |
| Jackson             | 1,279,321      | 370,818      |
| Kalamazoo           | 2,505,144      | 633,732      |
| Kellogg             | 1,179,991      | 462,017      |
| Kirtland            | 918,546        | 946,955      |
| Lake Michigan       | 2,209,439      | 1,308,134    |
| Lansing             | 3,666,667      | 341,308      |
| Macomb              | 8,425,687      | 625,190      |
| Mid Michigan        | 574,473        | 500,412      |
| Monroe              | 2,439,325      | 1,522,675    |
| Montcalm            | 647,728        | 555,990      |
| Muskegon            | 1,351,146      | 534,472      |
| North Central       | 477,330        | 596,662      |
| Northwestern        | 946,314        | 434,887      |
| Oakland             | 15,900,000     | 1,088,370    |
| St. Clair           | 2,020,000      | 949,694      |
| Schoolcraft         | 3,557,744      | 745,077      |
| Southwestern        | 605,828        | 343,440      |
| Washtenaw           | 3,514,698      | 842,247      |
| Wayne               | 12,962,636     | 2,191,856    |
| West Shore          | 934,776        | 140,357      |
| State Total/Average | \$81,353,350   | \$729,607    |

SOURCE: Senate Fiscal Agency, *1988 Statistical Report* (Lansing, Mich.: October 1988), pp. 89 and 92.

- relieve inequities and inefficiencies in community college funding by requiring that all areas of the state receiving benefits from community colleges help to pay for them;
- make postsecondary education more accessible by eliminating the need for students to pay out-of-district tuition. (At present, students who live outside of a community college district pay a higher price to attend school than do students who live inside the district. Redrawing the boundaries to include the entire state would eliminate the need for this distinction.); and

- strengthen the community college system by promoting cooperation (instead of competition) and reducing political infighting.

In addition to redistricting, community colleges will have to do a much better job of soliciting endowments and investments: These sources currently account for only 5 percent of total community college revenue. If businesses, state and local units of government, foundations, and other organizations are going to demand more from community colleges in the future, they should have to bear some of the burden of paying for those improved services now.

Finally, community colleges will have to operate more efficiently. Eliminating costly duplication of efforts; simplifying bureaucratic procedures; reducing inefficient physical plant operations; exploring measures to increase the productivity of faculty and staff; and reviewing programs and procedures annually to assess their success and cost-effectiveness will go a long way toward stretching scarce operating dollars.

The third option—delivering services in new and different ways—requires more creativity. For example, most experts agree that the cost of providing job training and retraining on the community college campus will become prohibitive in the very near future. Therefore, community colleges should continue pursuing alternative ways—such as forming partnerships with businesses and negotiating for the use of their facilities, equipment, and technology—to train students. (After all, these businesses will benefit from well-trained employees.) They also should start forming partnerships with K-12 districts and four-year colleges and universities and, whenever possible, avoid purchasing equipment that those institutions have and might be willing to share.

Internships and apprentice programs are another option that community colleges should explore more fully. Students could attend theory classes on campus and then spend a certain number of unpaid hours practicing what they learn at a local business. Such programs would help students gain valuable hands-on experience and assist employers in finding potential skilled employees. Another hidden advantage of such programs is the opportunity it provides for students to have mentors and role models outside an educational institution.

Interactive video is yet another avenue community colleges should explore in their efforts to provide more services to more people in different ways. This would eliminate, to some degree, the need for commuting, allow students to take advantage of programs at colleges outside their region, reduce the need for classrooms, cut down on the number of hours professors have to spend on the college campus, and, because they do not have to enter a classroom, educate students who otherwise might not pursue an advanced degree.

In summary, if community colleges want to remain socially useful, it is imperative that they do not eliminate services or reduce enrollments but instead look for alternatives to current funding methods, find practical ways to reduce expenses, and explore different, more cost-efficient ways to deliver services.

PSC also recommends that community colleges start educating the public about the importance of two-year institutions and their role in keeping the state competitive. (Without question, people are far more likely to support institutions that they understand.) At every step, public two-year colleges should engage members of the community—seeking their advice on course offerings, program development, operations, fund-raising, planning, and evaluation. By doing so, they can build strong, lasting relationships with the people in the community and use their support as leverage in the difficult times ahead.

## CONCLUSION

The goal of this paper is to explain the contexts within which community colleges were created and currently operate and to recommend ways they can be more useful in the future. The information and

ideas included are not new; community college administrators have been discussing them for years. Nor is the report comprehensive; these institutions provide so many services to such a wide variety of people that the number of barriers they face is staggering. It also would be unfair to say that community colleges do not do anything well; it is because they have done so many things so well in the past that they are facing the problems associated with spreading themselves too thin. Furthermore, it would be inaccurate to imply that community colleges are not currently exploring some of the avenues PSC suggests; some institutions, in fact, have done an excellent job of grappling with these problems.

It is fair to say, however, that few institutions are attacking these issues, confronting them with the zeal and commitment necessary to ensure that these schools will be useful not only in the next decade but also throughout the next century. Strong leadership and the willingness of staff and faculty to take risks and make mistakes—essential qualities needed to prosper during difficult times—seem to have become the exception instead of the norm. Maintaining the status quo appears to be a more valued characteristic in many of today's two-year institutions.

This attitude is extremely dangerous because it has no place in the next century. With technology changing at such a rapid rate, and educational expectations changing along with it, institutions that drag their collective feet will be left behind. Moreover, if it is true that as higher education goes, so goes the country, it follows that the United States will be left behind as well.

Another danger of complacency is that it nurtures passivity in others—an attitude community colleges can ill afford to engender in the public. For many years, these institutions have been struggling against the inaccurate and unfair perception that they are substandard schools, providing adequate education to low-achieving students. This elitist attitude rarely surfaces during prosperous times; however, when the fight over public dollars intensifies, the second cousin to the university is not likely to win. If one thing is clear about the future success of community colleges, it is that they will need the full support and understanding of the public to reach their maximum potential.

So what will the fifth phase be for community colleges? If these institutions are willing to work hard to find additional funding, deliver their services in more cost-effective ways, respond to the needs of both students and businesses, identify and focus on what they do best, and gain the support of the people, community colleges will play an important role in curing the social ills of the 21st century. They will be the higher education institution most responsible for keeping the state competitive and for allowing people—regardless of their age, race, gender, scholastic ability, or ability to pay—to lead productive lives. If not, community colleges will be remembered as the educational fad of the 1900s—of little social value in the competitive world of the 21st century.

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