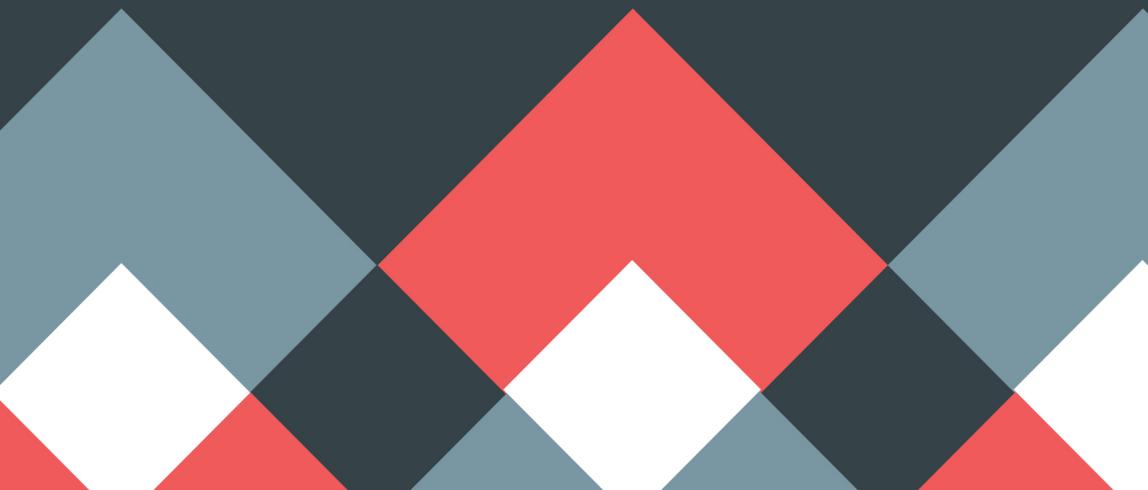


BRIDGING THE HIGHER EDUCATION DIVIDE

Strengthening Community Colleges and Restoring the American Dream

The Report of The Century Foundation Task Force on Preventing
Community Colleges from Becoming Separate and Unequal

With background papers by Sandy Baum and Charles Kurose;
Sara Goldrick-Rab and Peter Kinsley; Tatiana Melguizo and Holly Kosiewicz



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A CENTURY FOUNDATION REPORT

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ABOUT THE CENTURY FOUNDATION

The Century Foundation conducts timely research and analyses of national economic and social policy and international affairs. Its work today focuses on issues of equity and opportunity in the United States, and how American values can best be sustained and advanced in a world of more diffuse power. With offices in New York City and Washington, D.C., The Century Foundation is nonprofit and nonpartisan and was founded in 1919 by Edward A. Filene.

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Foreword

In our nation's struggle to promote social mobility and widen the circle of people who can enjoy the American Dream, education has always been a key driver; and no set of educational institutions embodies the promise of equal opportunity more than our country's community colleges. Two-year colleges have opened the doors of higher education for low-income and working-class students as never before, and yet, as the pages that follow make clear, community colleges often fail to provide the conditions for student success.

There are many important efforts underway to improve the outcomes of students in community colleges, largely focused on initiatives to scale up promising reforms. But there has also been a gaping hole in the dialogue: few people have been analyzing the growing racial and economic stratification between two- and four-year colleges, and the harmful consequences of those divisions.

The Century Foundation Task Force on Preventing Community Colleges from Becoming Separate and Unequal faces those grave realities in unblinking fashion. The Task Force is very fortunate to have benefited from the extraordinary leadership of its co-chairs, Anthony Marx, the president of the New York Public Library and the former president of Amherst College, and Eduardo Padrón, the president of Miami Dade College. Padrón has been a brilliant and innovative leader of the nation's largest institution of higher education; and Marx has been the conscience of the four-year sector, helping to put the issue of socioeconomic diversity and community college transfers on the national agenda. As a team, they helped lead the Task Force to come to consensus around a series of bold and efficacious recommendations.

This Task Force is the latest in a long line of research supported by Century seeking ways to promote equal opportunity from the preschool

level through postsecondary education. Our research on early education and K–12 schooling includes *A Notion at Risk: Preserving Public Education as an Engine for Social Mobility*, edited by Century senior fellow Richard D. Kahlenberg; *All Together Now: Creating Middle-Class Schools through Public School Choice*, by Kahlenberg; *Divided We Fail: Coming Together through Public School Choice*, the report of the Century Task Force on the Common School; *Public School Choice v. Private School Vouchers*, edited by Kahlenberg; *Improving on No Child Left Behind: Getting Education Reform Back on Track*, edited by Kahlenberg; *In Plain Sight: Simple, Difficult Lessons from New Jersey’s Expensive Efforts to Close the Achievement Gap*, by Gordon MacInnes; *Spin Cycle: How Research Is Used in Policy Decisions: The Case of Charter Schools*, by Jeffrey R. Henig; *Diverse Charter Schools: Can Racial and Socioeconomic Integration Promote Better Outcomes for Students*, by Kahlenberg and Halley Potter; *The Future of School Integration: Socioeconomic Diversity as an Education Reform Strategy*, edited by Kahlenberg; and *Beyond the Education Wars: Evidence that Collaboration Builds Effective Schools*, by Greg Anrig.

At the higher education level, we have also produced an important set of books and reports, three volumes edited by Kahlenberg (*America’s Untapped Resource: Low-Income Students in Higher Education*; *Rewarding Strivers: Helping Low-Income Students Succeed in College*; and *Affirmative Action for the Rich: Legacy Preferences in College Admissions*), as well as *A Better Affirmative Action: State Universities that Created Alternatives to Racial Preferences*, by Kahlenberg and Potter. Because much of our higher education work at Century has focused on increasing access to selective four-year institutions, we were eager to supplement that line of research with the present report on community colleges—institutions that educate increasingly large numbers of low-income, working class, immigrant, and minority students.

We are very grateful to the Ford Foundation, whose generous support made the work of this Task Force possible. In particular, we would like to extend warm thanks to Jeannie Oakes and Douglas Wood of Ford for their powerful insights and support of our work.

In addition, we are thankful for the advice and participation of three key officials in the U.S. Department of Education who, while not members of the Task Force, attended meetings of the group and shared valuable thoughts: Martha Kanter, Seth Galanter, and Michael Dannenberg.

The Task Force was fortunate to be supported by the superb research of three sets of authors: Sandy Baum of George Washington University

and Charles Kurose, an independent consultant for the College Board; Sara Goldrick-Rab and Peter Kinsley of the University of Wisconsin at Madison; and Tatiana Melguizo and Holly Kosiewicz of the University of Southern California.

The entire enterprise was guided from start to finish by Century's Richard Kahlenberg, who served as executive director of the Task Force, with critical assistance from Halley Potter, policy associate at Century.

Most of all, I want to thank the twenty-two members of the Task Force, led by Anthony Marx and Eduardo Padrón. The group includes distinguished representatives from two-year and four-year colleges, scholars of higher education, and representatives of the business, philanthropic, and civil rights communities. Their hard work produced a bold set of recommendations, which, if followed, have the potential to restart the community college sector as an engine for social mobility.

—JANICE NITTOLI, President
The Century Foundation
April 2013

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Report of the Task Force

Executive Summary

THE COMMUNITY COLLEGE CHALLENGE

American community colleges stand at the confluence of four mighty rivers that are profoundly influencing all of American life. At a time of growing economic globalization, community colleges are a critical element in the strategy to address the skills and education gap to meet the emerging needs of industries in the new knowledge economy. At a time of stagnant social mobility, two-year open-access institutions are pivotal in efforts to restore the American Dream. At a time when rising college costs are making some four-year institutions seem beyond reach for many students, community colleges remain a relatively affordable option for millions of Americans. And, at a time of deep demographic change that is making obsolete the very term *minority*, community colleges educate nearly half of America's undergraduates of color.

In striving for the Obama administration's goal of raising postsecondary graduation rates to be first in the world by 2020—so that 60 percent of 25–34 year olds have a postsecondary credential—community colleges are expected to shoulder the bulk of the challenge. Of 8 million new degrees required to reach the goal, the Obama administration expects 5 million (or 63 percent) to come from the community college sector.

Yet, for reasons outlined below, public community colleges, which serve some 11 million students and 44 percent of the U.S. college population, often are not equipped for the challenge. Although many community colleges do a superb job of serving disadvantaged populations, on the whole, the college “dropout” rate for American students might be as high as 50 percent—far higher than the high school dropout rate—and community college dropout rates are higher still. While 81.4 percent of

students entering community college for the first time say they eventually want to transfer and earn at least a bachelor's degree, only 11.6 percent of them do so within six years.

A central problem is that two-year colleges are asked to educate those students with the greatest needs, using the least funds, and in increasingly separate and unequal institutions. Our higher education system, like the larger society, is growing more and more unequal. We need radical innovations that redesign institutions and provide necessary funding tied to performance.

Lessons from Elementary and Secondary Education

In the K–12 realm, racial and economic stratification has long been recognized as a major impediment to equal opportunity, and policymakers have sought to address the issue by reducing separation (through racial and economic school integration programs) and by providing additional funding to schools with concentrations of poverty.

In the landmark *Brown v. Board of Education* decision in 1954, a unanimous U.S. Supreme Court famously recognized that separate schools for black and white children were inherently unequal. Today, social science research suggests that economic segregation in schools is highly detrimental: for any given student, attending a higher-poverty school predicts significantly lower outcomes.

In response, many school districts have created “magnet” schools to attract middle-class students into economically disadvantaged schools; and they allow low-income students to transfer to higher-performing middle-class schools. Both sets of strategies are associated with considerably higher achievement for low-income students and no decline in the achievement of middle-class students.

Likewise, federal policy, dating back to the 1965 Elementary and Secondary Education Act, has recognized that children in higher-poverty schools deserve extra resources, and hundreds of billions of dollars in Title I funds have been devoted to providing aid to higher-poverty schools. In part because of litigation on behalf of low-income students, state funding formulas in K–12 education routinely provide additional spending for low-income students. Nationally, more than two-thirds of all states provide additional funding for low-income students or students in need of remedial education, most commonly awarding 25 percent more.

Addressing Stratification in Higher Education

The distinction between K–12 and higher education policy on the issue of racial and economic stratification between institutions is striking. Elite higher education has recognized the need to integrate by race, adopting affirmative action programs to enhance the representation of African American and Latino students, but there has been no comparable effort to integrate by socioeconomic status. And there is little deliberate effort to draw more middle and upper-middle class students to community colleges, as “magnet schools” work to do at the K–12 level. Likewise, there is no comparable effort to provide extra federal and state resources to community colleges analogous to federal Title I funding or state-level adequacy funding at the K–12 level. To the contrary, state and federal resources tilt toward colleges with more advantaged student populations.

On one level, it is understandable that higher education has been slow to address issues of stratification. While primary and secondary schools have long educated a broad cross section of the American public, the entire higher education sector was fairly elite until recently. Today, however, as more and more students attend college, stratification issues loom much larger. Paradoxically, increasing college access is increasing inequality within the higher education universe. High-socioeconomic status (SES) students outnumber low-SES students by 14 to 1 in the most competitive four-year institutions, yet low-SES students outnumber high-SES students in community colleges by nearly 2 to 1.

The increasing economic and racial stratification of colleges and universities is troubling because largely separate educational systems for mostly rich and white students, and for mostly poor and minority students, are rarely equal. Racial and economic stratification is connected to unequal financial resources as well as to unequal curricula, expectations, and school cultures. Low-income and working-class people generally wield less power in our political system, and institutions serving them are often short-changed on resources. For example, between 1999 and 2009, per-pupil total operating expenditures increased by almost \$14,000 for private research universities, while public community colleges saw just a \$1 increase (in 2009 dollars).

With fewer financial resources, and often with a different curriculum and set of expectations, schools that are racially and economically isolated often produce poor results. For one thing, researchers have

documented a reduction in the chances of ultimately earning a bachelor's degree associated with a given individual beginning at a community college as compared with a four-year institution, controlling for a student's level of preparation. Likewise, there is suggestive evidence from within the universe of two-year colleges that racial and socioeconomic isolation can negatively affect the performance of any given student. These poor outcomes are unacceptable given that community college is often the only realistic option of postsecondary education for low-income students.

The theoretical justification for our stratified system of higher education with differing levels of funding is that it allows different types of institutions to focus on what they do best. Four-year institutions will cater to the most highly prepared students, the theory suggests, and two-year institutions will educate large numbers of less-prepared students to their own levels of success focusing on technical degrees and certificates. This division of duties has some merit, but the evidence suggests that a system that lacks fluidity and underfunds community colleges is neither equitable nor efficient.

RECOMMENDATIONS FOR CHANGE

Although the challenges are considerable, we have great optimism that if critical innovations are made to the design and financing of community colleges, and if bold changes are undertaken to address the increasing economic and racial isolation of students, two-year colleges can build further their vital role as engines of social mobility and economic competitiveness for students from all backgrounds. In short, they can become America's quintessential "middle-class" institutions—serving both those already in the middle-class and those aspiring to become part of it.

It is time for innovative thinking, centered around redesigned institutions, greater transparency of funding, incentives for greater access, and more substantial investments tied to performance. Although most policymakers and institutional leaders focus on highlighting, sharing, and scaling best practices at successful community colleges—something we support—we need to go beyond that limited approach and offer bold and innovative thinking that is also efficacious.

In particular, our two central recommendations suggest ways (1) to create new outcomes-based funding in higher education, with a much greater emphasis on providing additional public supports based on student needs; and (2) to reduce the racial and economic stratification between two- and four-year institutions.

Innovations in Accountability and Funding

In order to make funding more equitable and to provide community colleges with the resources necessary to boost completion (and thereby raise overall efficiency), we recommend the following innovations.

Adopt State and Federal “Adequacy”-Based Funding in Higher Education Akin to That Used in Primary and Secondary Education, Combined with Considerations of Outcomes. We propose tying new accountability plans to greater funding in higher education for institutions serving those students with the greatest needs. In short, we need a K–12 Title I-type program for higher education, coupled with considerations of student outcomes, such as job placements, degrees earned, and transfers to four-year institutions. In order to promote equity and avoid incentives for “creaming” the most well prepared students, funding should be tied to distance traveled and progress made—that is to say, consideration of where students start as well as where they end up. In addition, the number of nontraditional, minority and low-income students who achieve each of these outcomes should be monitored. Accountability, coupled with adequate funding, should encourage a necessary redesign of the way in which community colleges deliver education.

Establish Greater Transparency Regarding Public Financial Subsidies to Higher Education. In order to bring greater clarity to all types of public support for higher education, we call on the U.S. Departments of Education and the Treasury to issue a report on the extent of public subsidies to various types of institutions—and the accompanying benefit to different socioeconomic populations—including public tax expenditures in the form of tax breaks for private donations, tax exemptions for endowment-derived income, and the like. The intent of this transparency is not to reduce funding for four-year institutions but to detail more vividly the ways in which many community colleges deserve greater public support.

Innovations in Governance to Reduce Economic and Racial Stratification in Higher Education and Strengthen the Connections between Two- and Four-Year Institutions

Our second set of recommendations goes beyond the issue of unequal financing to address underlying the issue of economic and racial stratification itself. Economic and racial hierarchies—in which wealthy and white students trend toward selective four-year colleges and

working-class and minority students trend toward community colleges—are familiar, but they are in no sense natural or inevitable. We recommend the following reforms.

Encourage the Growth of Redesigned Institutions That Facilitate the Connection between Community Colleges and Four-Year Colleges. Among the most promising strategies of reducing stratification is to find ways to connect what are now separate two- and four-year institutional silos. Strengthening the ties between institutions could have the effect not only of reducing the economic and racial stratification of the student populations, but also would, by definition, reduce institutional stratification itself. By strengthening connections between two- and four-year institutions, fewer students would be lost in what can often be a difficult process of moving to four-year settings, in which credits fail to transfer with students and different financial aid policies may exist. By blending elements of two- and four-year colleges in one setting—such as by creating bachelor’s degree programs that are delivered jointly by two- and four-year institutions and require only a single point of entry in the freshman year—institutions may also draw a broader cross section of students than community colleges do.

Take Concrete Steps to Facilitate Community College Transfer. To facilitate movement from two- to four-year institutions, we believe states should promote “guaranteed transfer” policies; states and/or the federal government should offer financial incentives to four-year colleges that accept economically disadvantaged community college transfer students; four-year institutions should provide a clear, predictable pathway for students to transfer from community colleges; and highly selective four-year colleges and universities should commit to accepting community college transfers for 5 percent of their junior class.

Encourage Innovation in Racially and Economically Inclusive Community College Honors Programs. Honors programs are an important “magnet” feature of community colleges, a way of reducing both racial and economic stratification. If one objective of having an honors program is to draw talented students from a range of economic and racial backgrounds, the challenge is to offer programs that simultaneously will be highly attractive to students who might not otherwise consider community college and yet at the same time avoid becoming tracking devices that segregate students within community colleges.

Encourage Innovation in Early College Programs that Enhance Community College Diversity. “Early college” programs, some of which allow talented high school students to take advanced courses at community colleges, may provide a way of attracting high-achieving and middle-class populations to community colleges that are racially and economically isolated. We recommend federal funding of those early college programs that would have the effect of better integrating two-year institutions that are racially and economically isolated.

Prioritize Funding of New Programs for Economically and Racially Isolated Community Colleges. In addition to addressing stratification between the community college and four-year college sectors, there is the additional issue of socioeconomic and racial stratification between individual two-year institutions. Because many low-income community college students have little choice in where they will attend college, we recommend that state and federal funding programs for honors programs, early college, and other initiatives be directed first to those community colleges with few middle-class students, just as attractive magnet programs are placed in higher-poverty elementary and secondary schools

Provide Incentives for Four-Year Institutions to Engage in Affirmative Action for Low-Income Students of All Races. There is a great deal of evidence that four-year institutions could do a much better job of attracting “strivers,” low-income students who achieve at higher levels than expected given the disadvantages they face. The effort to recruit promising low-income students to four-year institutions is important in its own right. It will provide new opportunities for low-income students, and the greater diversity created will benefit the education of all students. But expanded efforts would also serve as a complement to plans enacted by community colleges to attract more middle-class students by relieving overcrowding at the community college level. In short, breaking down stratification between two- and four-year colleges will require deliberate programs on the part of both sets of institutions.

CONCLUSION

Taken together, we believe these innovations in financing and governance of higher education can dramatically enhance the prospect of millions of students attending our nation’s community colleges. The two primary strategies outlined—adequacy-based funding and de-stratification of student populations—go hand in glove.

Efforts to make inequalities in higher education funding more transparent, coupled with legal and public policy efforts to level-up public funding of community colleges, should make it possible to improve the quality of community colleges. Improved quality, in turn, may attract a broader cross-section of students, including those from more-affluent backgrounds. The de-stratification that flows from increased quality, coupled with targeted efforts to de-stratify higher education, should further promote the virtuous cycle. Less stratification should help create political capital to sustain investments in community colleges; and the higher expectations of less-stratified community college populations should help create “transfer cultures” that will improve outcomes for low-income students beyond the benefits associated merely with greater financial resources.

Today, community colleges are in great danger of becoming indelibly separate and unequal institutions in the higher education landscape. As *Brown v. Board of Education* helped galvanize our nation to address deep and enduring inequalities that had long been taken for granted, so today it is time to address—head on—abiding racial and economic inequalities in our system of American higher education. To date, community college reform is mostly about sharing best practices, an important but overly narrow discussion. It is time to take bold action to enhance the role of community colleges in strengthening American competitiveness, bolstering American democracy, and reviving the American Dream.

Report of the Task Force

THE COMMUNITY COLLEGE CHALLENGE

American community colleges stand at the confluence of four mighty rivers that are profoundly influencing all of American life. At a time of growing economic globalization, community colleges are a critical element in the strategy to address the skills and education gap to meet the emerging needs of American industries in the new knowledge economy. At a time of stagnant social mobility, two-year open-access institutions are pivotal in efforts to restore the American Dream. At a time when soaring college costs are putting four-year institutions out of the reach of many students, community colleges remain a relatively affordable option for millions of Americans. And, at a time of deep demographic change that is making obsolete the very term *minority*, community colleges educate nearly half of America's undergraduates of color.¹

Yet, for reasons outlined below, public community colleges, which serve some 11 million students and 44 percent of the U.S. college population, often are not currently equipped for the challenge.² Although many community colleges do a superb job of serving disadvantaged populations, on the whole, the college “dropout” rate for American students may be as high as 50 percent—far higher than the high school dropout rate—and community college dropout rates are higher still.³ If our nation does not assist community colleges in better serving their students, it will be less economically competitive and poorer. The American Dream will remain out of reach for millions of our fellow citizens. Non-white and non-Anglo students, the coming majority, will be left behind. And college will increasingly become a luxury for the wealthy. Because higher education is a public good, not just a private good, we all have a stake in ensuring that everyone receives the best education possible.

It is possible to build a better future: we did it before, in the context of high school educational attainment. As Claudia Golden and Lawrence F. Katz note in *The Race between Education and Technology*, by 1900, the United States, unlike most other countries, had “begun to educate its masses at the secondary level not just in primary schools,” and soon became the richest nation in the world.⁴ We were once a world leader in the number of young people receiving an associate’s degree or higher, but today, the United States ranks fourteenth among OECD nations in terms of percentage of the population ages 25–34 in that category.⁵

Today, community colleges are charged with being both the central vehicle for jumpstarting social mobility in America and a key driver in the efforts to make the country more globally competitive. In striving for the Obama administration’s goal of raising postsecondary graduation rates to be first in the world by 2020—so that 60 percent of 25–34 year olds have a postsecondary credential—community colleges are expected to shoulder the bulk of the challenge. Of 8 million new degrees required to reach the goal, the Obama administration expects 5 million (or 63 percent) to come from the community college sector.⁶

Yet, given the way community colleges are currently structured and supported, it is no wonder that many have a difficult time reaching the goals being set for them. A central problem is that two-year colleges are asked to educate those students with the greatest needs, with the least funds, and in increasingly separate and unequal institutions. Our higher education system, like the larger society, is growing more and more unequal.

Although stark divisions between two- and four-year institutions in theory are supposed to produce efficiencies—with each set of institutions focusing on what it does best—under our existing structures, 65 percent of students who begin at a community college fail to earn a degree or certificate from their starting institution or another school within six years.⁷ While 81.4 percent of students entering community college for the first time say they eventually want to transfer and earn at least a bachelor’s degree, only 11.6 percent of entering community colleges students do so within six years.⁸

The American Association of Community Colleges, the primary advocacy organization for the nation’s community colleges, frankly acknowledged in a recent commission report: “What we find today are student success rates that are unacceptably low, employment preparation that is inadequately connected to job market needs and disconnects in transitions between high schools, community colleges, and baccalaureate institutions.”⁹

The challenge to improve success rates at community colleges comes at a time of growing austerity and substantial cuts in public support for higher education. Community colleges have borne the brunt of these cuts, according to the Delta Cost Project, and “disparities between rich and poor institutions in overall spending levels have never been larger.”¹⁰ Many community colleges are stretched to capacity and are unable to keep up with demand, sending more and more students into the for-profit sector, where students are often poorly served.

Although the challenges are considerable, we have great optimism that if critical innovations are made to the financing and design of community colleges, and if bold changes are undertaken to address the increasing economic and racial isolation of students, two-year colleges can both become more effective and build further their vital role as engines of social mobility and economic competitiveness for students from all backgrounds. In short, they can become America’s quintessential “middle-class” institutions—serving both those already in the middle-class and those aspiring to become part of it.

Addressing the Challenges of a Two-Tiered System

In order to address the fundamental challenge, the Task Force believes we must do much more than just share and replicate best practices of successful community colleges—as valuable and important as doing so is. In addition, we need to confront head-on the growing stratification and separation between economic and racial groups in higher education, which results in a system that educates those students with the greatest needs apart from more-advantaged students, and does so with fewer resources. While some differentiation between two- and four-year institutions is appropriate, a rigid, two-tier system, which offers little fluidity between levels, and tends to educate different income and racial and ethnic groups in different settings, is neither inevitable nor desirable, nor, the evidence suggests, particularly efficient.

To be sure, the original two-tier system had many laudable features. The U.S. system of community colleges arose as separate and distinct from the traditional four-year system for several reasons: to broaden access to higher education; to meet the special needs of communities for vocational training and lifelong learning; and to provide an efficient, lower-cost means of educating students in the first two years of college.

Unlike many four-year institutions, community colleges generally do not impose strict entrance requirements and are open to all.¹¹

More numerous than four-year institutions, community colleges can be located close to where students reside and work, so students of all ages can live at home and not incur the expense of residential college living. Two-year colleges charge relatively low tuitions and provide flexible scheduling to accommodate student job responsibilities. The community aspect of these colleges allows them to focus on the particular needs of local employers, and to form important partnerships to promote life-long learning. Community colleges can provide hands-on, job-specific training that often leads to well-paying jobs. And the comparatively lower costs of community colleges to taxpayers was also thought to be an efficient way of educating first- and second-year students, many of whom expected to transfer to four-year institutions after receiving an associate's degree.

All of these distinctive features remain strengths of the community college system, but each of these attractive features has posed profound challenges. Because community colleges are separate institutions, and because they tend to serve more disadvantaged populations, the separate structures and stratified student populations impose costs that should be frankly acknowledged and considered as reforms are proposed.

- Because community colleges have different funding streams than four-year institutions, they lack the resources necessary to accomplish their goals. While policymakers see community colleges as a relatively inexpensive way to educate large numbers of students, the under-resourcing of the system in fact has helped create large inefficiencies, with low completion rates.
- Because community colleges and four-year institutions do not seamlessly connect, the great majority of students who indicate an intention to transfer and receive a bachelor's degree face unnecessary barriers to doing so.
- Because community colleges increasingly serve low-income and working-class student populations, different sets of curricula, expectations, and institutional cultures about transfer have emerged at community colleges that can harm students by setting lower standards and expectations than those at four-year institutions. Furthermore, as the socioeconomic divide between two- and four-year institutions grows, students at community colleges are cut off from valuable middle-class peer networks found at four-year institutions.

A fundamental challenge involves seeing whether there are ways to retain the benefits offered by the unique features of community colleges while reducing the stratification and separation that has generated problems for the sector. To begin with, it is instructive to briefly look at the K–12 system, which has many years of experience addressing large-scale stratification, and then apply the lessons to higher education.

How Some Elementary and Secondary School Policies Seek to Address Stratification

In the K–12 realm, racial and economic stratification has long been recognized as a major impediment to equal opportunity, and policymakers have sought to address the issue by reducing separation (through racial and economic school integration programs) and by providing additional funding to schools with concentrations of poverty. As more and more students go to college, the experience of elementary and secondary schools in addressing stratification becomes more relevant to higher education.

In the landmark *Brown v. Board of Education* decision in 1954, a unanimous U.S. Supreme Court famously recognized that separate schools for black and white children were inherently unequal. Today, social science research suggests that economic segregation in schools is highly detrimental: for any given student, attending a higher-poverty school predicts significantly lower outcomes. While a great deal of media attention is lavished on high-poverty schools that produce positive outcomes for students, these schools are rare. In a 2006 study, University of Wisconsin professor Douglas Harris found that high-poverty schools were twenty-two times less likely to be high-performing than low-poverty schools.¹²

Of course, part of the reason high-poverty schools struggle is that low-income students, on average, come to school less prepared, but data from the National Assessment of Educational Progress (NAEP) elucidates a separate phenomenon connected to school poverty concentrations. In 2011, low-income fourth grade students who attend more-affluent schools scored twenty points higher in mathematics—the equivalent of roughly two years of learning—than low-income students attending high-poverty schools. Indeed, *low-income* students given a chance to attend more-affluent schools performed about half a year better, on average, than *middle-income* students who attend high-poverty schools.¹³

Selection effects may explain some of the superior performance of low-income students in more-affluent schools, but an interesting 2010 Century Foundation study of students in Montgomery County, Maryland, suggests that there are significant advantages to attending lower-poverty schools, even when students are randomly assigned. Heather Schwartz, a researcher at the RAND Corporation, compared students whose families applied for public housing and were randomly assigned to housing units and neighborhood schools in different parts of Montgomery County. Some families were assigned to public housing units in the less-affluent eastern portion of the county, where schools, designated as being in the “Red Zone,” were allocated an additional \$2,000 per pupil for reduced class size in the early grades, extended learning time, and additional professional development for teachers. Other families were assigned to public housing units in the more-affluent western part of the county, designated as the “Green Zone,” which did not receive the extra resources provided in the Red Zone.

After several years, low-income elementary students in the lower-poverty Green Zone schools outperformed low-income students in Red Zone schools by 0.4 of a standard deviation in math, a large effect size among educational interventions.¹⁴ Two-thirds of the positive benefit was associated with schooling, and one-third with neighborhood. Attending schools with lower levels of economic segregation is also associated with improved graduation rates in secondary schooling.¹⁵

Policymakers have responded with a number of interventions to address problems associated with racial and economic segregation and to remedy the disadvantages associated with poverty. Among the leading strategies have been efforts to attack segregation head-on through inter-district public school choice programs to promote economic and racial school integration; and funding programs to recognize that extra resources are required to provide students from disadvantaged families with equal educational opportunity.

The U.S. Supreme Court allows school districts to employ race as a factor in student assignment under certain circumstances. Moreover, it is perfectly legal to integrate by socioeconomic status, and nationally, more than eighty school districts, educating some 4 million students, deliberately seek to de-stratify school populations by socioeconomic status.¹⁶ Districts employ two basic choice-based strategies to integrate schools: they create “magnet” schools to attract middle-class students into economically disadvantaged schools; and they allow low-income students to transfer to higher-performing middle-class schools. Both sets of strategies

are associated with considerably higher achievement for low-income students and no decline in the achievement of middle-class students.¹⁷

Policymakers have also recognized that not all schools will be socioeconomically and racially integrated, and those public schools with higher concentrations of poverty deserve additional resources. It is widely known that wealthy families are in a position to invest far greater resources in their children outside of school than are low-income families. Research suggests the gap in investment levels has tripled since the 1970s.¹⁸

In K–12 schooling, considerable research has been conducted on the extra weighted funding appropriate for low-income students in order for them to receive an “adequate” education. A 2008 review of thirteen studies in nine states found that the cost of educating economically disadvantaged students ranged from 22.5 percent to 167.9 percent more than the cost of educating other students.¹⁹ Another review of studies found that estimates of the cost of educating students qualifying for free or reduced-price lunch ranged from 35 percent more to 100 percent more per pupil compared with the cost of educating a non-qualifying student. Most of the estimates fell in the range of 60 percent to 100 percent.²⁰ While the studies ranged in their conclusions regarding the premium deserved, all agreed extra funds are required to educate more economically disadvantaged students to proficiency.

Federal policy, dating back to the 1965 Elementary and Secondary Education Act, has recognized that children in higher-poverty schools deserve extra resources, and hundreds of billions of dollars in Title I funds have been devoted to providing aid to higher-poverty schools. In part because of litigation on behalf of low-income students, state funding formulas in K–12 education routinely provide additional spending for low-income students. Nationally, more than two-thirds of all states provide additional funding for low-income students or students in need of remedial education, most commonly awarding 25 percent more.²¹

Stratification in Higher Education: An Emerging Issue

The distinction between K–12 and higher education policy on the issue of racial and economic stratification between institutions is striking. Elite higher education has recognized the need to integrate by race, adopting affirmative action programs to enhance the representation of African American and Latino students, but there has been no comparable effort to integrate by socioeconomic status.²² And there is little

deliberate effort to draw more middle- and upper-middle-class students to community colleges, as “magnet schools” work to do at the K–12 level. Likewise, as is outlined below, there is no comparable effort to provide extra federal and state resources to community colleges analogous to federal Title I funding or state-level adequacy funding at the K–12 level. Despite the progressive features of the Pell Grant program, state and federal resources tilt overall toward colleges with more advantaged student populations.

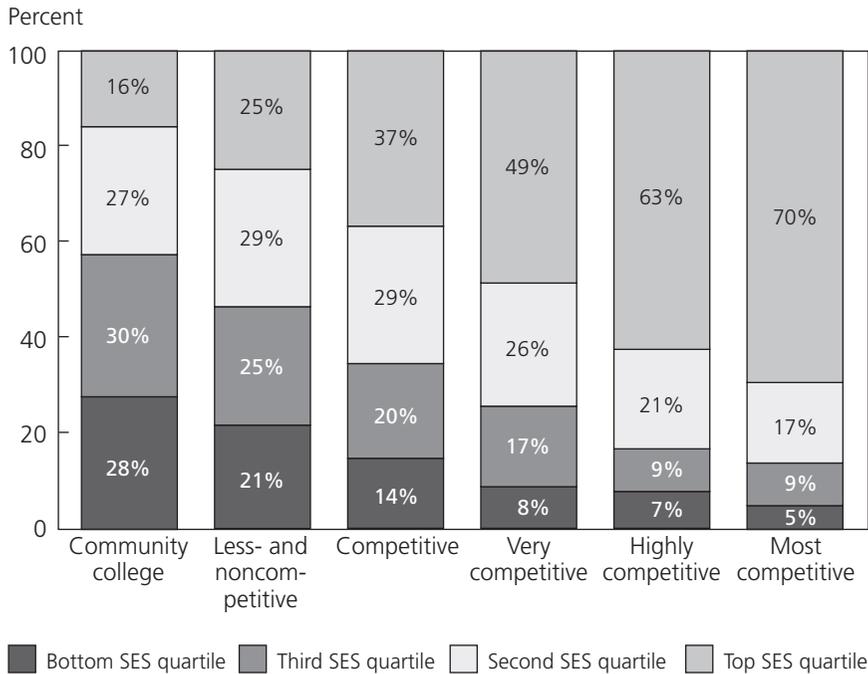
On one level, it is understandable that higher education has been slow to address issues of stratification. While primary and secondary schools have long educated a broad cross section of the American public, the entire higher education sector was fairly elite until recently. In the early 1950s, around the time *Brown v. Board of Education* was decided, only 6.9 percent of Americans aged 25 years or older had a four-year college degree, and another 7.6 percent had one to three years of college.²³ With only 14.5 percent of the adult population falling into these categories, issues of stratification between higher education institutions was not particularly salient. Two-year colleges were a minor player. As late as 1965, only one-quarter of public college students were in community colleges.²⁴

Today, however, stratification issues loom much larger. Paradoxically, as Anthony P. Carnevale and Jeff Strohl have observed, increasing college access is increasing inequality within the higher education universe.²⁵ In 2011, more than half (53.9 percent) of Americans aged 25 years or older had at either a four-year degree or more (32.1 percent) or one to three years of college (21.8 percent), almost four times the share in the early 1950s—making issues of who goes where far more important.²⁶

Figure 1 vividly illustrates the socioeconomic breakdown of students in community colleges compared with four-year institutions of varying levels of selectivity. In 2006, high-SES students outnumbered low-SES students by 14 to 1 in the most competitive four-year institutions, yet low-SES students outnumbered high-SES students in community colleges by nearly 2 to 1.

Racial and ethnic stratification is also striking. At the most selective four-year colleges in 2006, whites constituted 75 percent of students, and blacks and Hispanics together totaled 12 percent of students. In community colleges, by contrast, whites accounted for 58 percent of students, and blacks and Latinos together totaled 33 percent of students.²⁷ Parallel patterns can be found in 2010 data comparing student populations at two-year public and four-year institutions more generally.²⁸ Moreover, although the aggregated community college population is

FIGURE 1
Socioeconomic Distribution at Colleges, by Selectivity, 2006



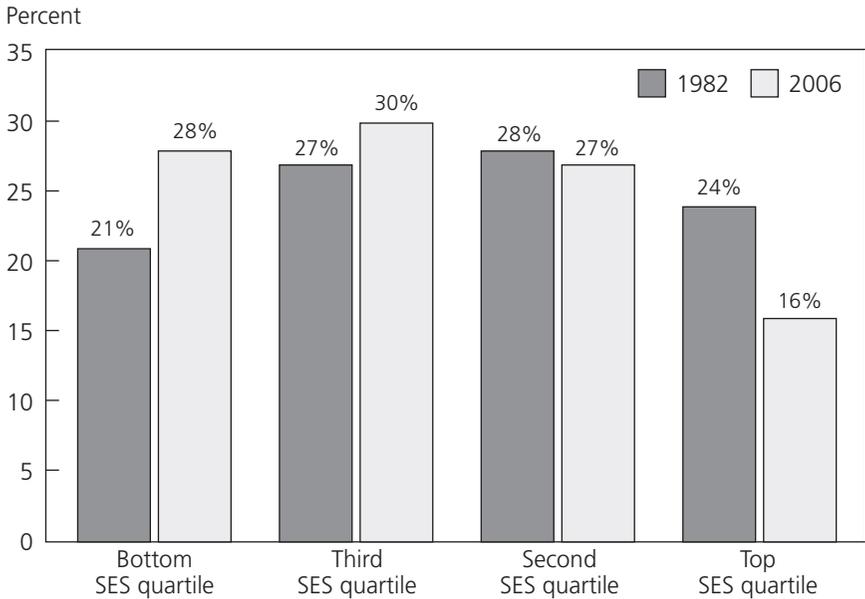
Note: Some columns do not total 100 due to rounding.

Source: Anthony P. Carnevale and Jeff Strohl, "How Increasing College Access Is Increasing Inequality, and What to Do about It," in *Rewarding Strivers: Helping Low-Income Students Succeed in College*, ed. Richard D. Kahlenberg (New York: Century Foundation Press, 2010), 137, Figure 3.7.

diverse, research conducted for the Task Force by Sara Goldrick-Rab and Peter Kinsley shows that many individual community colleges have levels of segregation for minority students that are as high if not higher than those at the most elite institutions for white students. When broken down into quartiles of underrepresented minority populations, the most racially isolated quarter of community colleges have student bodies in which almost two-thirds of students are from underrepresented minority groups.²⁹

Moreover, socioeconomic and racial and ethnic stratification has grown, not lessened, in recent decades. In 1982, students from the top socioeconomic quarter of the population made up 24 percent of the students at community colleges; by 2006, that had dropped to 16 percent.

FIGURE 2
Change in Socioeconomic Distribution at Community Colleges, 1982–2006



Source: Anthony P. Carnevale and Jeff Strohl, "How Increasing College Access Is Increasing Inequality, and What to Do about It," in *Rewarding Strivers: Helping Low-Income Students Succeed in College*, ed. Richard D. Kahlenberg (New York: Century Foundation Press, 2010), 136–37, Figures 3.6 and 3.7.

Conversely, the representation of the poorest quarter of the population has grown at community colleges from 21 percent to 28 percent in the same time period.³⁰ (See Figure 2.)

The change in racial and ethnic makeup also shows interesting patterns. Between 1994 and 2006, the white share of the community college population plummeted from 73 percent to 58 percent, while black and Hispanic representation grew from 21 percent to 33 percent, in part reflecting growing diversity in the population as a whole. By contrast, the change was much less dramatic at the most selective four-year colleges during this time period, when the white share dipped just three percentage points (from 78 percent to 75 percent) and the black and Hispanic shares barely moved (from 11 percent to 12 percent).³¹

Some press stories suggest that the recession has brought a flood of upper-middle-class students into community colleges, but the report on

which these stories are based depicts a different story. In the years since 2007, tough economic times have indeed brought an influx of students from all economic groups to community colleges, but low-income students have actually increased their use of two-year institutions at a far faster pace than either middle-income or high-income students.³²

Why Economic and Racial Stratification Matters

The increasing economic and racial stratification of colleges and universities is troubling because largely separate educational systems for mostly rich and white students, and for mostly poor and minority students are rarely equal. As the evidence below suggests, racial and economic stratification is connected to unequal financial resources as well as unequal curriculum, expectations, and school cultures.³³

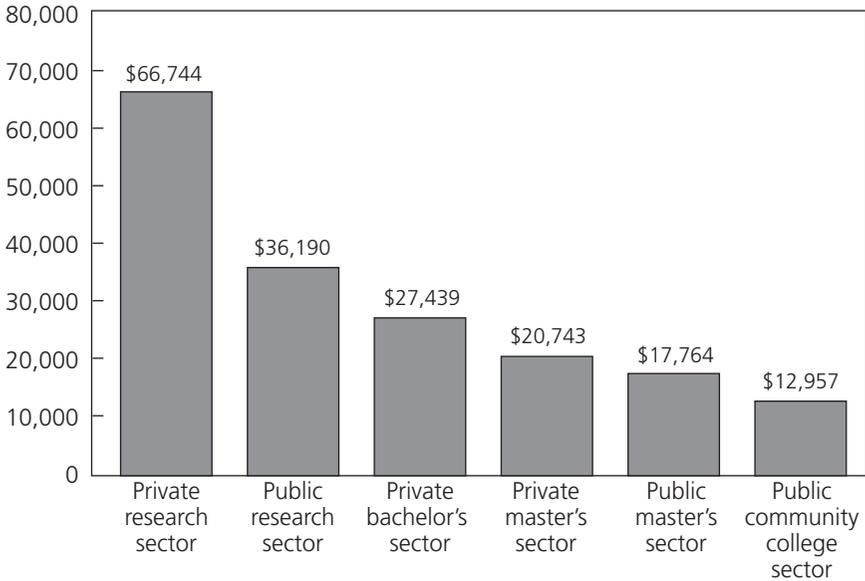
Stratification and Financial Resources. The stratified student populations in higher education put community colleges, which educate disproportionate shares of low-income and working-class students, at a double disadvantage with respect to funding. On the one hand, disadvantaged students generally have greater educational needs and need additional resources to reach a given level of proficiency. On the other hand, low-income and working-class people generally wield less political power in our political system and institutions serving them are often short-changed on resources. This double bind plays out clearly with respect to the funding of community colleges.

Community college students, on average, come to higher education further behind and have greater education needs compared with their more highly prepared counterparts at four-year institutions. While there do not appear to be extensive studies quantifying the premiums required for low-income and working-class students in higher education the way there are in the K–12 arena (an issue we take up in our recommendations) it seems reasonable to suspect that the needs of the average community college student are greater than more academically advanced students typically found in four-year institutions. We do know, for example, that more than 60 percent of community college students receive some developmental/remedial education, at an estimated cost of \$2 billion per year.³⁴

Although they arguably serve students with greater needs, community colleges spend far less per pupil than four-year institutions. As Figure 3 indicates (page 22), per-pupil total operating expenditures in academic

FIGURE 3
Per-Pupil Total Operating Expenditures, Academic Year 2009

Spending per FTE student (in 2009 dollars)



Source: Donna M. Desrochers and Jane V. Wellman, *Trends in College Spending 1999–2009* (Washington, D.C.: Delta Project on Postsecondary Education Costs, Productivity, and Accountability, 2011), figure A2, 52–57, http://www.deltacostproject.org/resources/pdf/Trends2011_Final_090711.pdf.

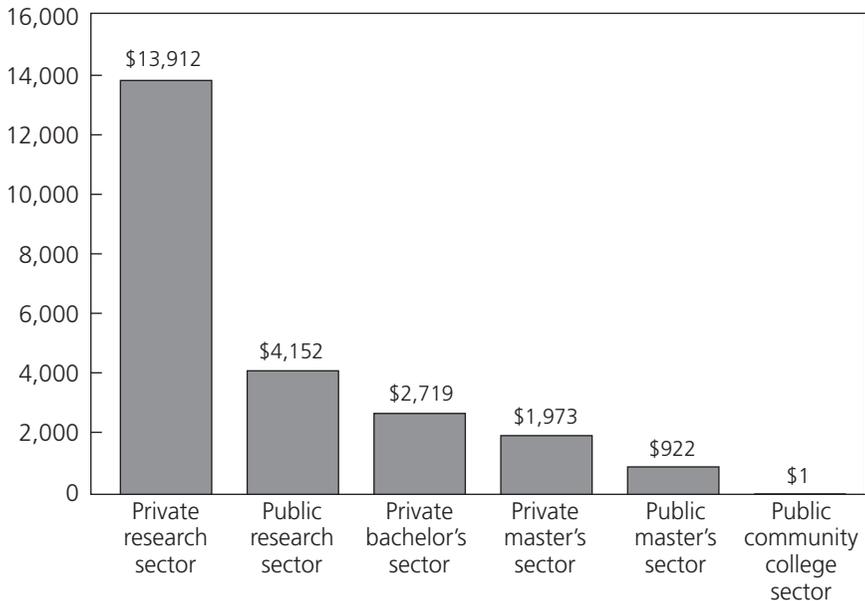
year 2009 were far lower for community colleges (about \$13,000 per full-time equivalent student) compared with various four-year institutions. Total operating expenditures are five times higher for private research universities than community colleges, on average.

Moreover, evidence suggests that the per-pupil total operating expenditures gap has grown over time. As Figure 4 demonstrates, between academic years 1999 and 2009, every four-year sector saw increases, while community college funding was flat. During this ten-year period, at the extremes, private research sector expenditures increased by \$13,912, while public community colleges saw a rise of just \$1 (expressed in 2009 dollars).

Of course, four-year research institutions are charged not only with educating students, but also with advancing human knowledge, whereas community colleges are primarily teaching institutions. But even when

FIGURE 4
Change in Per-Pupil Total Operating Expenditures,
Academic Year 1999–2009

Ten-year change in spending per FTE student (in 2009 dollars)



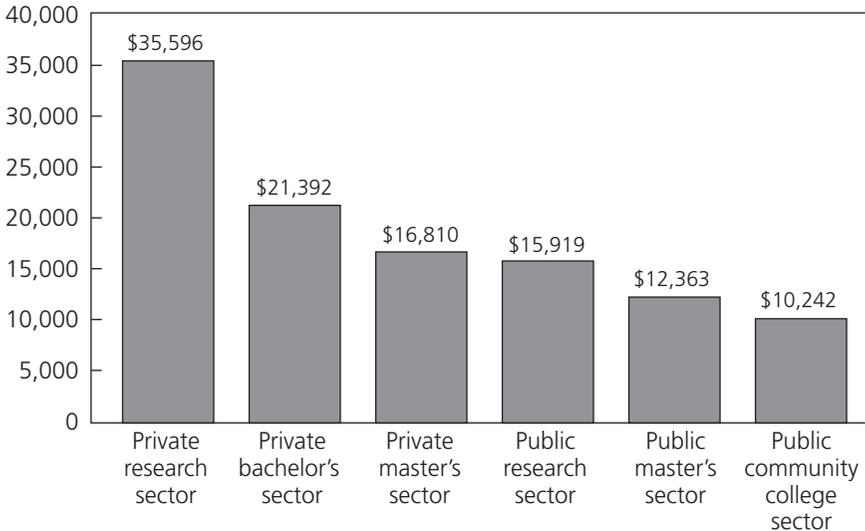
Source: Donna M. Desrochers and Jane V. Wellman, *Trends in College Spending 1999–2009* (Washington, D.C.: Delta Project on Postsecondary Education Costs, Productivity, and Accountability, 2011), figure A2, 52–57, http://www.deltacostproject.org/resources/pdf/Trends2011_Final_090711.pdf.

sponsored research and spending on auxiliary enterprises (such as hospitals) are excluded, the per-pupil spending is far lower at public community colleges (\$10,242) than at various four-year institutions (ranging from \$12,363 to \$35,596), as Figure 5 shows (page 24). Likewise, focusing exclusively on “instruction” expenses, community colleges spent about \$5,000 per pupil in 2009, compared with \$10,000 at public research universities and \$20,000 at private research universities.³⁵ (For further discussion see Box 1, page 26.)

To be sure, community college students pay significantly less in tuition and fees than students at most four-year institutions, but community college tuition levels have risen dramatically as a share of revenues in the past two decades as state and local appropriations have declined.³⁶ This increasing reliance on tuition fees is highly problematic

FIGURE 5
Per-Pupil Education and Related Spending, Academic Year 2009
 (i.e., excluding sponsored research and auxiliary enterprises)

Spending per FTE student (in 2009 dollars)



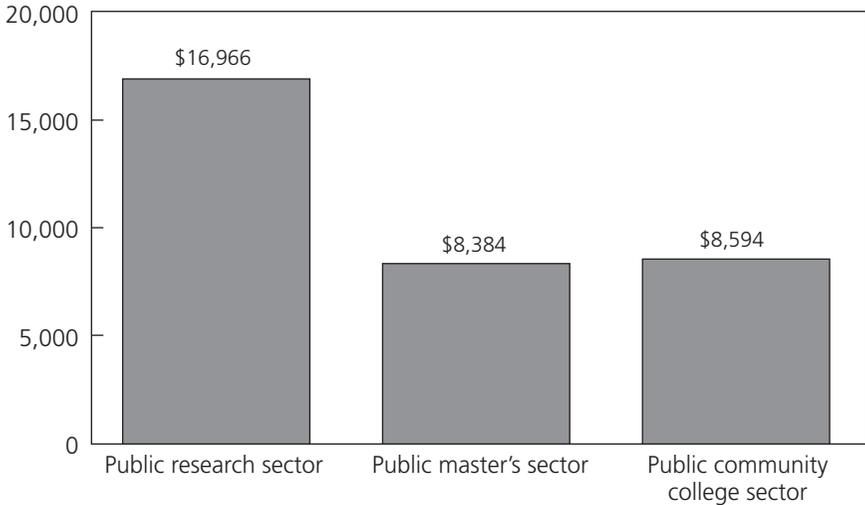
Note: Education and related expenses (E&R) is a measure of institutional spending that excludes spending on auxiliary enterprises (such as hospitals) and sponsored research. Desrochers and Wellman explain the rationale behind this calculation: "E&R offers the most robust measure of spending on student learning because it isolates spending related to the education mission. E&R includes spending on instruction, student services, and a portion of general support and maintenance costs associated with these functions. Some analysts refer to this as a 'full cost' measure, distinct from measures of 'direct instructional' costs, which account for faculty salaries but exclude everything else. Because it includes spending for faculty salaries (except those paid from research contracts), E&R also includes spending for departmental or non-sponsored research. While some would prefer to exclude all research costs from E&R spending, it is a mission-related instructional cost in research institutions, as is the cost of graduate education, and so we will include it within the measure" (20).

Source: Donna M. Desrochers and Jane V. Wellman, *Trends in College Spending 1999–2009* (Washington, D.C.: Delta Project on Postsecondary Education Costs, Productivity, and Accountability, 2011), figure A2, 52–57, http://www.deltacostproject.org/resources/pdf/Trends2011_Final_090711.pdf.

given the role of two-year colleges in providing access to low-income and working-class students. Moreover, even when one isolates per-pupil public subsidies in the form of state and local appropriations, federal appropriations, and federal, state, and local grants and contracts, public community colleges fare poorly compared with public research sector institutions (see Figure 6). Community colleges are roughly on par with public master's sector institutions.

FIGURE 6
Per-Pupil Public Funding, Academic Year 2009

Revenues per FTE student (in 2009 dollars)



Note: Public funding includes state and local appropriations; federal appropriations; and federal, state, and local grants and contracts.

Source: Donna M. Desrochers and Jane V. Wellman, *Trends in College Spending 1999–2009* (Washington, D.C.: Delta Project on Postsecondary Education Costs, Productivity, and Accountability, 2011), figure A1, 48–51, http://www.deltacostproject.org/resources/pdf/Trends2011_Final_090711.pdf.

Less transparent is the public assistance to private research institutions in the form of numerous tax subsidies. Government tax expenditures take several forms, including the ability of donors to deduct donations from taxable income, and the tax-free status of endowment income. When a wealthy individual donates a library or dormitory to a private institution, for example, it is likely that the public indirectly pays one-third of the cost in the form of lost tax revenue. One economist suggests the tax and research subsidies for a private university can run as high as \$54,000 per student compared with just \$600 per student at a nearby public institution.³⁷

Nationally, the tax expenditures for higher education are considerable. According to a 2007 analysis by the Congressional Research Service, the foregone income tax revenue for some 765 nonprofit colleges with accumulated endowments of \$340 billion cost the government \$18 billion. With more modest returns in recent years, Sandy Baum

BOX 1
**Complications in Comparing the Expenditures
of Two- and Four-Year Institutions**

Even after excluding research expenses, there are important nuances to be recognized in comparing funding of two- and four-year colleges as is outlined in the background paper for this task force prepared by Sandy Baum and Charles Kurose. On the one hand, community colleges might expect to need lower amounts of funding because the first two years of college are generally less expensive to teach than the third and fourth years.* On the other hand, there are countervailing considerations surrounding the difference between two- and four-year institutions suggesting that from an equity standpoint, community colleges require greater funding. First- and second-year students in four-year institutions may be more amenable to being educated in large lecture halls because they are more likely to be well-prepared academically, whereas community college students may require smaller class sizes given their levels of preparation.** Likewise, vocational education provided in community college setting can be fairly expensive, requiring a greater devotion of resources.*** Finally, given the reality that only about 10 percent of community college students persist to a bachelor's degree, benefiting from four full years of public subsidies, allowances might be made for community college students on whom far fewer resources are likely to be showered over the long haul.

*Jane Wellman, "Financial Characteristics of broad access public institutions," Background paper prepared for the Stanford Conference on Mapping Broad Access Higher Education, December 1–2, 2011, 3–4 and 12.

***Ibid.*, 23.

****Ibid.*, 13–14.

and Charles Kurose put the annual cost at \$6.2 billion. Meanwhile, the deduction for charitable contributions for educational institutions cost an estimated \$6.6 billion in 2007. Nonprofit colleges are also exempt from property taxes and sales taxes, though the amount of this subsidy is hard to quantify.³⁸

Public community colleges benefit from very few of these tax expenditures. In 2007, public community college derived just \$372 per full time equivalent student from private and affiliated gifts, grants, contracts, investment returns, and endowment income. By contrast, private bachelor's institutions derived \$20,035 per pupil from such sources, and private research institutions derived \$46,342 per pupil.³⁹ As one

community college president remarked: wealthy hedge fund managers give to their own colleges, and fund charter schools for low-income students, but rarely do they adopt a community college.

Overall, then, higher education appears to operate on something like the reverse of the “adequacy” model in K–12 education, where federal and state resources flow disproportionately to students most in need. While significant federal programs do exist to provide grant aid to economically disadvantaged student, most prominently in the form of Pell Grants, the program ends up bypassing many low-income community college students, for whom tuition and fees are low and the primary expense of attending college is the opportunity costs associated with forgone wages. And the progressive element of Pell funding is heavily diluted by numerous state and institutional “merit aid” programs as well as poorly targeted federal tax breaks for education expenses that can benefit students from families making up to \$180,000 a year.⁴⁰ Moreover, whereas the bulk of direct federal grants to elementary and secondary schools use a relatively progressive funding formula under Title I of the Elementary and Secondary Education Act that is meant to benefit schools with concentrations of low-income students, the Brookings Institution reports that direct federal aid to higher education disproportionately benefits four-year over two-year institutions. The authors of a 2009 Brookings policy brief note, “four-year institutions receive nearly three times as much in federal support per full-time equivalent (FTE) student (\$2,650) as community colleges (\$790).”⁴¹ The Brookings report noted that direct federal support for community colleges stood at \$2 billion annually, a very modest commitment in comparison to the \$20 billion a year allocated to public four-year universities and \$60 billion a year spent on K–12 education.⁴²

The current underfunding of community colleges may well be connected to the political realities of who holds power in American society. As we noted above, students from the upper quartile in socioeconomic status are under-represented at community colleges, and have become increasingly so in recent decades. Community colleges will always have local employers who provide political support for funding, but the decline in middle- and upper-middle-class representation in the sector may, over the long haul, weaken support for strong funding of two-year institutions. One early illustration of this vulnerability came in 2010, when the Obama administration’s 2009 proposal for \$12 billion in new community college funding was trimmed by a Democratic Congress to just \$2 billion. Likewise, a \$5 billion proposal to fund infrastructure at community colleges in September 2011 and an \$8 billion proposal to

fund a Community College to Career Fund in February 2012 have seen no congressional action.⁴³ Cuts to community colleges have not seemed to generate the political backlash, or the media attention, that issues such as a slated increase in the interest rate for student loans—which affects students across sectors—have generated. Although community colleges educate very large numbers of students, and are geographically disbursed into different legislative and congressional districts, it appears that the focus on lower-income and working class students—the crowning glory of the two-year sector—also presents a political liability when it comes to funding.

As noted in the recommendations set forth below, we do not believe that higher education funding should be considered a zero sum game, in which funds now used at four-year institutions should be diverted to community colleges. We do not call for a reduction in tax subsidies for four-year institutions, which are a vital national resource deserving of continued support. We do, however, believe that efforts should be made to level-up investment in two-year colleges to provide them with the resources necessary to provide an excellent education.

How Social Composition Influences Curriculum, Expectations, and School Culture. If socioeconomic and racial stratification between two-year and four-year institutions puts community colleges at a double funding disadvantage (educating students with the greatest needs, but the least political power), there are additional reasons to believe stratification is problematic above and beyond the question of funding. In discussing why, controlling for demographic and academic qualifications, individual students are more likely to succeed in more selective institutions, William Bowen and colleagues cite not only access to superior financial resources, but also aspects such as valuable peer networks and school cultures with high expectations. On the issue of peers, Bowen and colleagues write: “Students learn from each other. Being surrounded by highly capable classmates improves the learning environment and promotes good educational outcomes of all kinds, including timely graduation.” With respect to expectations, Bowen and company suggest: “The high overall graduation rates at the most selective public universities unquestionably create a climate in which graduating, and graduating with one’s class, are compelling norms. Students feel pressure to keep pace with their classmates.”⁴⁴

Likewise, Richard Arum and Josipa Roksa’s research in their book *Academically Adrift* finds that “Being surrounded by peers who are well prepared for college-level work is likely to shape the climate of

the institution as well as specific student experiences. Having high-performing students in the classroom can help improve achievement of all students, including those who have accumulated fewer skills before college.”⁴⁵ Indeed, an academic literature dating back for decades has found benefits associated with positive peer norms not only in K–12 education but in four-year colleges. Researchers Barbara Bank, Ricky Slavins, and Bruce Biddle, for example, found in a longitudinal study at a large Midwestern state university in 1990 that peer norms (though not behaviors) had significant effects on students’ college persistence. (Researchers measured peer norms by student survey responses describing the views of their two closest friends.)⁴⁶ Accordingly, low-income and working-class students in community colleges who are isolated from those students who are most likely to be high achieving and complete a BA may be placed at a disadvantage.

Having said all this, it is hard to know how an academic literature regarding peer effects at four-year residential institutions applies to community college settings, where most students commute to campus. Likewise, unlike the K–12 setting, community college classrooms often have students from a wide range of ages. Peer effects may be stronger in a room full of 15- or 20-year-olds than in a classroom with 19-year-old, 32-year-old and 49-year-old students. We need to be cautious, then, about the role of peer effects in community colleges, but also cognizant of their potential power.

Applying the findings on peer effects to community colleges, Columbia University’s Juan Carlos Calcagno, Thomas Bailey, and others made this observation:

Research on peer effects suggests that college students benefit when they take classes with or study with high-performing students, but most of this work has focused on selective 4-year colleges. Assuming that this conclusion holds for community colleges, we would expect that colleges with high proportions of women, higher income students, and full-time students would have higher graduation rates, even after controlling for individual characteristics, since members [of] all of these groups tend to be more successful students.⁴⁷

Being around well-connected peers may also increase a student’s chances of employment success, apart from any impact on academic outcomes.

Student body composition also appears to affect curriculum offerings, at least in part. As low-income and working-class students have become an increasing share of the student bodies at community colleges,

researchers have found that institutions have focused more and more on a vocational curriculum leading to certificates rather than a liberal arts curriculum preparing students to transfer to four-year institutions.⁴⁸ On one level, this trend is understandable: schools often have higher completion rates in certificate programs than in those geared toward an associate's degree and transfer, and many students feel the need to receive training for a job they can start today rather than pursuing a full degree in the future.⁴⁹ Moreover, taking courses and earning degrees in quantitative or technical areas can have higher marketplace returns than those in fields such as the social sciences or humanities.⁵⁰ At the same time, community college students in working-class settings that do not have a culture of transfer may find themselves steered by the curriculum to certificates in technical fields whether or not they wish to pursue that path. And research finds some—though not all—community colleges can be marked by “low expectations of teachers and lack of support from fellow students for academic work.”⁵¹

**Evidence that Racial and Economic Stratification—
and the Reduced Resources Associated with Stratification—
May Reduce Outcomes for Low-Income and Minority Students**

With fewer financial resources and often a different curriculum and set of expectations, schools that are racially and economically isolated sometimes produce poor results. In the K–12 arena, there is ample evidence that racial and economic stratification can have a negative impact on student outcomes, as we outlined earlier. Considerable evidence suggests that we should be similarly concerned about the growing economic and racial divide in higher education.

To begin with, the raw data suggest students are generally more successful in four-year colleges than community colleges. According to data from the 2004/2009 Beginning Postsecondary Students Longitudinal Study (BPS), only 34.5 percent of students who started in a two-year college earned a degree or certificate (from their starting institution or another school) within six years (8.5 percent earned certificates, 14.4 percent earned associate's degrees, and 11.6 percent earned bachelor's degrees).⁵² By contrast, 57 percent of first-time students enrolled in bachelor's programs or equivalents at four-year institutions earned bachelor's degrees within six years.⁵³

The relatively poor results in community colleges are surely in part a reflection of selection effects, given that individual students come to

community college less prepared on average. Moreover, even studies that control for preparation and demographic characteristics broadly may miss additional disadvantages that community college students face disproportionately. For example, a student may select to attend a local community college rather than a four-year institution because she is working to support a multigenerational household or is caring for a family member with a mental illness that makes it difficult to attend a four-year residential institution. Still, considerable research finds that where one goes to college has an independent effect on outcomes—and that attending schools with more affluent student bodies (and greater resources) can have a positive effect. (We recognize that data from the Integrated Postsecondary Education Data System [IPEDS] are flawed with respect to community college graduation rates, as outlined in the Appendix, and recommend that improvements be made in the future.)

Diminished Outcomes at Community Colleges. For one thing, researchers have documented a reduction in the chances of ultimately earning a bachelor's degree associated with a given individual attending a community college as compared with a four-year institution, controlling for a student's level of preparation. For example, among low-income students with "high" qualifications for college (those who have completed "at least Trigonometry"), 69 percent of students who began in a four-year institution earned a bachelor's degree, compared with just 19 percent of those who started in a community college.⁵⁴

The trigonometry metric may not fully capture selection effects within the universe of students who have completed the course, but other careful studies have sought to address selection bias. In a 2006 study, using a nationally representative sample of students and controlling for relevant characteristics, C. Lockwood Reynolds, an economist now at Kent State University, estimated that beginning at a two-year college reduces one's chances of ultimately receiving a bachelor's degree by 30 percentage points.⁵⁵ William Bowen and colleagues, analyzing North Carolina data in their 2007 book, *Crossing the Finish Line*, also report reduced outcomes after controlling for academic preparation and demographic factors such as gender, family income, parental education, and educational aspirations. For example, among white students with high grade point averages and SAT scores of about 1200, bachelor's degree attainment rates were 36 points higher (47 percent versus 83 percent) if they began at a four-year institution. Among whites with lower credentials (lower grades and SAT scores of about 800), the gap was about 29 points. Among black

students, baccalaureate attainment decreased when they attended a community college instead of a four-year institution (whether predominantly white or historically black).⁵⁶ Likewise, in a 2008 paper for the National Bureau of Economic Research, Bridget Terry Long of Harvard University and Michal Kurlaender of U.C. Davis conclude that after carefully controlling for selection bias, students who initially began at a community college in Ohio were conservatively estimated to be 14.5 percent less likely to complete a bachelor's degree within nine years.⁵⁷

A forthcoming study by the Georgetown University Center on Education and the Workforce found that a student who initially enrolled at a public community college on average completes 1.62 fewer years of schooling. After controlling for a host of individual student factors (family income, higher education level of one's parents, race, ethnicity, age of student, grades in high school, whether one received a traditional high school degree, whether the student works full time, and whether the student enrolls in college full time), the gap declines to 0.76 years. The authors suggest the residual difference could reflect the fact that community colleges spend less per full time equivalent student and provide less advantageous peer environments.⁵⁸

To be clear, the research does not suggest that these diminished outcomes are the result of anything inherently wrong with two-year institutions. As the evidence above suggests, community colleges must contend with the powerful effects of racial and economic stratification and inadequate funding. These inequities are not inevitable, and there is reason to believe that if they are remedied, it will be possible to elevate outcomes for students in the two-year sector.

Undermatching within Four-Year Institutions. A parallel body of literature finds that within the universe of four-year institutions, a given student is less likely to graduate when she attends a less selective college or university (institutions that also tend to have less affluent student bodies and fewer financial resources). Controlling for preparation levels (and looking at students who would have been presumptively admitted to selective public institutions), former Princeton University president William Bowen, Brookings scholar Matthew Chingos, and Spencer Foundation president Michael McPherson found that attending a less selective four-year institution was associated with a graduation rate of 15 points lower after 6 years (66 percent versus 81 percent). When more sophisticated controls were added, including race, socioeconomic status, and gender, a substantial 10-percentage-point difference remained, and

completion times were longer. “In short,” they concluded, “the under-matched students paid a considerable price in terms of the time it took them to complete their program of studies and in the reduced probability that they would finish at all.”⁵⁹

Evidence from within the Community College Sector. Finally, there is some evidence from within the universe of two-year colleges that racial and socioeconomic composition can affect the performance of any given student. A 2012 study conducted by Mary Martinez-Wenzl and Rigoberto Marquez for the Civil Rights Project of UCLA, for example, found that African American and Latino students in fifty-one Southern California community colleges were more likely to transfer to four-year institutions from high-transfer community colleges (which were all majority white/Asian) than their counterparts in more racially isolated institutions.⁶⁰

In addition, a new background paper prepared for this Task Force provides reason to believe that economic and racial isolation of poor and minority students in community colleges can negatively affect outcomes. The study, conducted by Tatiana Melguizo and Holly Kosiewicz of the University of Southern California, examined student success at more than one hundred community colleges in California, which enroll almost one-quarter of community college students nationally.⁶¹ The authors examine whether the racial and ethnic composition of the student body and the socioeconomic status of the colleges were associated with differences in success. Success was measured by the Student Progress and Achievement Rate (SPAR), a composite measure created by community college leaders that considers such factors as transfers to four-year colleges, AA or AS degrees awarded, and certificates awarded per cohort of students six years after entering.⁶²

The sample included a wide variety of institutions, ranging from 11.8 percent underrepresented minority to 90.9 percent. The colleges’ socioeconomic status (as measured by the median family income of the location surrounding the community college) ranged from \$29,221 to \$157,995. During the period considered, SPAR rates ranged from 26.9 to 70.7, with an average of 52.2.⁶³

Using institutional level data and controlling for a number of factors, including incoming academic preparation (as measured by the average Academic Performance Index [API] of high schools that feed into each community college and number of students placed in developmental education for math), the authors conclude that having large shares of underrepresented minority students is negatively associated with SPAR,

while having a higher socioeconomic status in the college area is positively associated with SPAR.⁶⁴

In particular, Melguizo and Kosiewicz find that holding all else constant (including academic preparation levels), students in the most-minority-isolated colleges (those with more than 49 percent underrepresented minorities) had SPAR scores that were 10 percent lower than students in colleges with the least-minority-isolated environments (less than 22 percent underrepresented minority.) Likewise, holding all else constant, students in the poorest schools (median area income of less than \$50,784) had SPAR scores that were 8 percent lower than students in the wealthiest schools (median area income of more than \$81,718). These results were statistically significant.⁶⁵

Interestingly, the authors found no association between state and local funding and SPAR so differences in SPAR rates connected to minority and low-income student isolation cannot be explained solely by funding differences.⁶⁶ The authors conclude, “policymakers should consider ways to remedy the impact of economic and racial isolation at American community colleges.”⁶⁷

Having said that, a second background paper prepared for this Task Force by Sara Goldrick-Rab and Peter Kinsley may help explain why minority racial isolation is associated with reduced outcomes for students in terms of resources provided.

Goldrick-Rab and Kinsley’s data provide some evidence that heavily minority community colleges have fewer resources than predominantly white community colleges. For example, heavily minority schools (those with a mean proportion of black, Latino, and Native American students of 65 percent) have one support staff member for every 294 students, compared with one support staff for every 85 students in heavily white and Asian schools (where the mean proportion of underrepresented minority students is 8 percent).⁶⁸ Predominantly white and Asian schools are also twice as likely to have on-campus housing as predominantly African American, Latino, and Native American schools (29 percent versus 15 percent) and twice as likely to have a meal plan (25 percent versus 13 percent). Predominantly white and Asian schools have lower student-to-faculty ratios (19 to 1) than those that are predominantly minority (24 to 1). On the other hand, average nine-month instructional staff salaries are higher in heavily minority schools (\$60,527) than in predominantly white and Asian schools (\$52,843).⁶⁹

The studies conducted by the Civil Rights Project and Melguizo and Kosiewicz did not control for individual student self-selection, but

research that does seek to control for a number of individual student factors also has found that attending more racially segregated community colleges has a negative effect on student outcomes. A 2008 study in *Economics of Education Review* by Columbia University's Juan Carlos Calcagno, Thomas Bailey, and others examined a national database to see which institutional factors were correlated with attainment outcomes for students and found that, after controlling for the race, test scores and socioeconomic status of individual students, being in a community college with a larger share of minority students predicted lower attainment. Of the multiple factors assessed, minority share, large student populations, and high proportion of part-time faculty were all negatively correlated with student outcomes.⁷⁰

Replicating Inequality. Taking these studies together, it appears that segregation between two- and four-year institutions—and among community colleges—is replicating inequality of opportunity from the K–12 level. Just as white and middle-class flight from urban schools leaves low-income and minority students in low-performing segregated institutions, so higher education reinforces separation and inequality, as community colleges for the most part reflect America's residential segregation. In fact, background research for this Task Force conducted by Sara Goldrick-Rab and Peter Kinsley finds that “more than three-quarters of the variation in racial composition among community colleges is directly attributable to the racial composition of their surrounding geographic locales”⁷¹ In the one-quarter of community colleges where roughly two-thirds of students are underrepresented minorities, much of this segregation can be accounted for by residential status. Unlike many Historically Black Colleges and Universities or Hispanic Serving Institutions, which minority students actively seek out, the demographics of segregated community colleges may be more likely to reflect residential segregation than an affirmative choice on the part of individual students.

Stratification and Inadequate Funding Are Inefficient

The theoretical justification for our stratified system of higher education with differing levels of funding is that it allows different institutions to focus on what they do best. Four-year institutions will cater to the most highly prepared students, the theory suggests, and two-year institutions will educate large numbers of less prepared students to their own levels of success. If our K–12 system and larger society produce a graduating

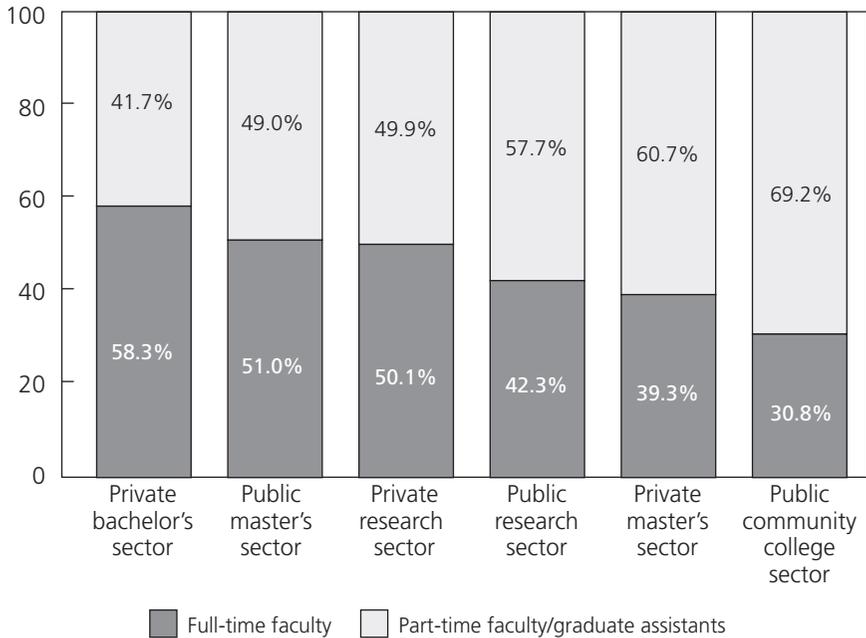
high school population in which low-income students end up less academically prepared than higher-income students, it may be unfortunate. But some would say our system basically works well because we devote more resources to the more talented students and offer a less expensive education to the masses, providing them with an education that is tailored to their particular needs, which in many cases will involve vocational training. This line of argument suggests that efforts to strengthen the connections between two- and four-year institutions are problematic because they involve “mission creep”; instead, the two segments of American higher education should be separate and focus on what they each do best.

But the evidence suggests that a regimented system with clear divisions of duties that attempts to educate community college students on the cheap is neither equitable nor efficient. As noted above, the sharp segmentation between two- and four-year institutions increases the chances that students will “undermatch,” which reduces their chances of success. The separation of two- and four-year campuses makes transfers difficult, leaving many talented students without bachelor’s degrees. More generally, the underfunding of community colleges, which is meant to educate very large numbers of students inexpensively, in fact may explain extremely high failure rates. While the relatively inexpensive public subsidies provided to community colleges may appear to give taxpayers a good deal, in fact, careful research on the cost per degree shows that trying to educate on the cheap does not work well. When one factors in huge attrition rates, the cost per degree at community colleges is actually more, not less, than at four-year institutions. According to the Delta Cost Project, the spending per degree at public community colleges in 2009 was \$73,940, compared with \$65,632 at public research institutions and \$55,358 at public master’s institutions.⁷² Mark Schneider finds that the federal, state, and local taxpayers pay \$4 billion annually to educate first-year full-time community college students who drop out, though others suggest that figure may be too high.⁷³

These findings do not suggest we should disinvest from community colleges, but rather that we should think about ways to decrease inefficiencies (some of which are connected to stratification), consider important redesigns of community colleges to improve effectiveness, and invest wisely in those areas that research suggests make a difference. To illustrate, what follows are four examples of ways in which adequate investment would likely produce positive outcomes in community colleges that would raise overall levels of efficiency.

FIGURE 7
Full-time vs. Part-time Faculty, Academic Year 2008

Percentage of all faculty and graduate assistants



Source: Donna M. Desrochers and Jane V. Wellman, *Trends in College Spending 1999–2009* (Washington, D.C.: Delta Project on Postsecondary Education Costs, Productivity, and Accountability, 2011), 30, http://www.deltacostproject.org/resources/pdf/Trends2011_Final_090711.pdf.

First, there is evidence that being taught by part-time faculty is associated with negative outcomes for students, perhaps because adjunct faculty do not have the same substantive connection to the institution that full-time faculty do.⁷⁴ And yet, as a cost saving measure, community colleges rely especially heavily on part time-faculty, as Figure 7 suggests.

Second, community college students face higher student-to-faculty ratios (22-to-1) compared with public four-year students (15-to-1). This translates into larger class sizes and higher course loads for faculty members, which reduces their ability to care for students. Looking at student to all-staff ratios, public two-year students have only half the support (10 to 1) as public four-year students (5 to 1).⁷⁵ This lack of support is particularly troubling to the extent that low-income and

working-class students often found in community colleges may be in special need for student services (including child care and mental health), and of academic support functions (such as math and writing centers). It is possible that access to tutorials and smaller class size may be a good investment for at-risk students in community college settings. Investing in more advisers and better professional development for faculty could also prove to be wise investments that boost completion rates at a relatively modest cost, thereby reducing cost per degree.⁷⁶

Third, the underinvestment in community colleges has resulted in overcrowding, which diverts many students to for-profit colleges that end up costing students—and taxpayers—much more, with little to show for it. After a two-year investigation of thirty for-profit companies, the U.S. Senate Committee on Health, Education, Labor, and Pensions reported in 2012 that while community colleges and for-profit two-year programs have similar retention rates, “the cost of the for-profit programs makes those programs more risky for students and Federal taxpayers.” The report, *For Profit Higher Education: The Failure to Safeguard the Federal Investment and Ensure Student Success*, noted that “For-profit colleges are much more expensive than community colleges, forcing more for-profit students to borrow, and to borrow higher amounts. While 96 percent of those attending a for-profit college borrow to attend, just 13 percent of community college students do so.”⁷⁷

Fourth, community colleges should supplement targeted investments with smart reforms of the ways in which education is delivered. The American Association of Colleges and Universities has documented a series of “high impact practices” that increase the likelihood of students progressing towards degrees.⁷⁸ Community colleges have also formed consortia and partnerships throughout the country to redesign curriculum and instructional delivery. For example, to improve developmental math instruction in community colleges, the Carnegie Foundation for the Advancement of Teaching has partnered with a consortium of thirty community colleges.⁷⁹ Greater investments will be far more effective if they are coupled with these types of curricular redesign.

RECOMMENDATIONS FOR CHANGE

The challenges outlined above lead us to support two major sets of innovations in the financing and governance of higher education. Although most policymakers and institutional leaders focus on highlighting, sharing, and scaling best practices at successful community colleges—something

we support—we need to go beyond that limited approach and offer bold and innovative thinking that is also efficacious. In particular, our two central recommendations suggest ways (1) to create a new manner of funding higher education, with a much greater emphasis on providing additional public supports based on student needs; and (2) to reduce the racial and economic stratification between two- and four-year institutions. These recommendations are for federal policymakers, state legislators, foundation heads, and higher education institutional leaders. The central recommendations are guided by our belief in equal opportunity as the goal and incentives rather than compulsion as the means.

Innovations in Funding

In order to make funding more equitable and to provide community colleges with the resources necessary to boost completion (and thereby raise overall efficiency), we recommend the following innovations.

Adopt State and Federal “Adequacy”-Based Funding in Higher Education Akin to that Used in Primary and Secondary Education, Combined with Considerations of Outcomes. We propose greater funding in higher education for institutions serving those students with the greatest needs, tied to accountability for outcomes. We recognize that the current system of funding is inequitable but also acknowledge that the American public has little appetite to pay more for something that is not currently working well.

To begin with, we believe that state and federal funding formulas for higher education should incorporate the concept of “adequacy” funding routinely used at the K–12 level, where extra funds flow to economically disadvantaged students who, on average, have greater educational needs. The current higher education funding system—which provides the two-year sector, educating students with disproportionately greater needs, with fewer funds—should be modernized to align with both state and federal policies at the K–12 level, which provide additional funds to the neediest students. In short, we need a K–12 Title I-type program for higher education.

As part of this effort, we believe the U.S. Education Department should commission a rigorous study of how much more colleges educating disadvantaged students should be provided compared with their peers. (A 25 percent premium is common at the state K–12 level.) One possible methodology would involve examining successful boutique

programs providing extra support services, and seeing how much more they cost than typical programs. In assessing the costs of an “adequate” education in the college setting, researchers would recognize that the “goal posts” may be different depending on the educational setting. Whereas states identify uniform standards of “proficiency” for students at the K–12 level, against which adequacy funding is measured, at the postsecondary level, an “adequate” education for a first-year college students may differ depending on whether she is seeking a certificate, an associate’s degree, or a bachelor’s degree. Adequate per-student funding should not be offset by cuts in the total number of students educated. As outlined above, policies that shift students from public community colleges to for-profit institutions are penny wise and pound foolish.

Individual colleges will know best how to invest adequate resources, but some may wish to remedy unequal access to highly qualified full-time faculty (see Figure 7). Many community college faculty members are excellent teachers, but investing in more full-time faculty at community colleges and high-quality professional development for all community college faculties may prove very cost effective. Additional incentives should be created to ensure that the strongest faculty members are connected with the neediest students.

In addition to seeking adequate funding through the legislative process, we encourage equity advocates to begin exploring the possibility of filing lawsuits in those states that have a constitutional guarantee that may extend to higher education. Litigation requiring adequate funding at the K–12 level has been successful in a number of states, and while most state constitutions focus exclusively on elementary and secondary education, a subset of states have language referencing “universities,” “schools of higher education,” or students up to ages 20 or 21.⁸⁰ Lawsuits might have a particularly strong chance of prevailing when aimed at providing adequate funding of developmental education, an important service provided by community colleges, which must bring underprepared students up to speed. Education finance experts note that while it may be difficult to extend adequate funding litigation to noncompulsory higher education in general, the remedial education funding argument may have a greater chance of success because the need of students for remedial college education is a direct result of the failure of the state to provide an adequate education the first time around in high school. Some state constitutions have been read to require career and college readiness, so students who have not received that level of education in high school may deserve to receive it free of charge in a community college setting. In

the special education area, students who have not received services they deserved before age 18 have won the right to receive them subsequently.

We emphasize that “adequate” funding does not seek a leveling down of resources in which two-year colleges take from four-year universities. Most of higher education has already suffered damaging cuts in public resources. Instead, we envision a leveling up of investments, in which community colleges can provide the same strong opportunities as students receive in the four-year college sector.

Finally, the task force believes that funding should be tied to student outcomes, where data are available, such as job placements, degrees earned, and transfers to four-year institutions. Interim success points should also be established and rewarded, including emergence from college prep into college level courses, successful completion of gateway courses, completion of certifications for job entry, and transfers prior to graduation. In order to promote equity and avoid incentives for “creaming” the most well prepared students, funding should be tied to distance traveled and progress made—that is to say, with consideration of where students start as well as where they end up. In addition, the number of nontraditional, minority, and low-income students who achieve each of these outcomes should be monitored. Outcomes should be measured by actual cohorts of students, not just by rates, to avoid creating perverse incentives for institutions to shed struggling students. And safeguards should be put in place to avoid grade inflation.

In addition, accountability provisions should incorporate a measure of outcomes in relation to public investment in order to avoid a diversion of resources to colleges—many of which are in the for-profit sector—that educate large numbers of low-income students in a highly expensive fashion and often leave them with few marketable skills and large levels of student debt.

The combination of adequate funding and accountability based on outcomes should help spur important innovation and redesign of community colleges, particularly in the area of developmental education. Exciting and promising redesign is under way in a number of institutions and states.⁸¹ We anticipate that additional redesign will flow from a new funding and accountability system, which will yield greater bang for the community college buck.

Establish Greater Transparency Regarding Public Financial Subsidies to Higher Education. As noted earlier, in sorting through the various public subsidies surrounding higher education, there is a lack of

transparency regarding the degree to which institutions of higher education benefit not only from direct public subsidies, but also from public tax expenditures in the form of tax breaks for private donations, the tax exemption of endowment-derived income, and the like. In order to bring greater clarity to all types of public support for higher education, we call on the U.S. Departments of Education and Treasury to issue a report on the extent of public subsidies to various types of institutions—and the accompanying benefit to different socioeconomic populations. The accounting should also include the amount of tax subsidies provided to other nonprofits (including religious institutions) so as not to unfairly single out higher education. The report could include a discussion of the feasibility of requiring that institutions calculate and publicly disclose on an annual basis the degree to which they benefit from both direct public funding and public tax expenditures.

To be clear, the Task Force is not calling for a reduction in incentives for philanthropic giving, but rather a more complete accounting of who gets what in public support. We do not believe higher education funding should be viewed as a zero sum game. Rather, the relatively generous funding of four-year private institutions (and their relatively high success rates) provides reason to believe much more could be accomplished if two-year institutions were adequately funded.

Innovations in Governance to Reduce Economic and Racial Stratification in Higher Education and Strengthen the Ties between Two- and Four-Year Institutions

Our second set of recommendations goes beyond the issue of unequal financing to address the underlying issue of economic and racial stratification itself. As the evidence outlined above suggests, even if we could in theory completely address financial inequities between two- and four-year colleges, there is reason to believe that ignoring the effects of social composition on institutional norms and expectations would miss part of the reason stratification takes a toll.

Economic and racial hierarchies—in which wealthy and white students trend toward selective four-year colleges and working-class and minority students trend toward community colleges—are familiar, but they are in no sense natural or inevitable. They are instead the result of deliberate policy decisions that can be altered for the better.

To date, most of the focus on reducing stratification has involved racial affirmative action programs to integrate elite colleges by race and ethnicity,

BOX 2**Is It Morally Problematic to Encourage More Middle-Class Students to Attend Community Colleges, Given the Possibility of Reduced Outcomes?**

Given students' reduced chance of gaining a bachelor's degree when starting at a community college compared with those who begin at four-year institutions, are there moral concerns about encouraging more middle-class students with the resources and preparation to start at four-year institutions to attend two-year colleges instead? We think there are not.

We recommend a number of measures (including adequate funding, strengthening transfer policies, expanding honors colleges, and so on) which we believe will have a positive effect on outcomes for all students—including middle-class students—at community colleges. These steps are both desirable in their own right, and a precondition for integration. The experiences of magnet schools in K–12 settings suggest that efforts to attract middle-class students are unlikely to be successful without simultaneously improving quality. Accordingly, we urge the adoption of a number of quality-enhancing programs, which then should create a virtuous cycle, as the presence of more middle-class students strengthens the political and social capital of two-year institutions, which should improve quality further.

but integration should be a two-way street, with efforts to magnetize community colleges as well. In this section, we not only recommend efforts to expand affirmative action programs at four-year institutions to include consideration of socioeconomic status, we also advocate ways for community colleges to educate a broader cross-section of students, including upper-middle class students, in a way that benefits all pupils (See Box 2). By economically integrating community colleges, we can increase the chances of improving two-year institutions themselves—the places where the large bulk of economically disadvantaged students are educated.

Our recommendations below are aimed not only at institutions (which can adopt programs to reduce stratification) but also, importantly, at states and the federal government, which can exercise critical policy levers.

Encourage the Growth of Redesigned Institutions That Strengthen the Connections between Community Colleges and Four-Year Colleges. Among the most promising strategies for reducing stratification—and

enhancing student outcomes—is to find ways to connect what are now separate two- and four-year institutional silos. Increasing the ties between institutions could have the effect not only of reducing the economic and racial stratification of the student populations, but also would, by definition, reduce institutional stratification itself. By strengthening connections between two- and four-year institutions, fewer students would be lost in what can often be a difficult process of transfer to four-year settings, in which credits fail to transfer with students and different financial aid policies may exist. By blending elements of two- and four-year colleges in one setting, these institutions may also draw a broader cross section of students than community colleges do.

Richard Atkinson, the former president of the University of California, has noted that these new arrangements can take several forms.⁸² Under the “university centers” arrangement, Atkinson and his colleague Saul Geiser note, four-year universities offer upper-division classes at two-year campuses, enabling students to participate who, for reasons of work, family, or residence need to avail themselves of a four-year education in a local community college setting. In this construct, the senior institution awards the actual degree.⁸³ Under the “branch campuses” model, community colleges are converted into “lower-division satellites of state universities, thereby expanding capacity at the 4-year level and eliminating the need for the traditional transfer process.”⁸⁴ A third alternative, the community college baccalaureate model, provides state authorization for community colleges to offer bachelor’s degrees under certain conditions.

Many of these blended arrangements are nationally recognized as successful. Macomb Community College in Michigan, for example, which enrolls roughly 59,000 students, has partnered with Oakland University and Wayne State University to offer concurrent enrollment in bachelor’s programs. Classes for these programs are taught by faculty from participating university partners, but the classes are held at Macomb University Center on Macomb’s Center Campus. President Obama chose Macomb as the venue to announce his 2009 American Graduation Initiative.

The state of Florida is particularly known for the ability of two-year community colleges to grant bachelor’s degrees in certain areas. In 2008, the Florida legislature renamed the state’s community college system as the Florida College System in an effort to increase bachelor’s degree production in the state. Under the new Florida College System, a community college may apply to the state to offer bachelor’s degrees and become a “State College.” All institutions in the system must retain an

open door admissions policy, and bachelor's programs must meet criteria for high quality and low cost. Of the twenty-eight institutions in the Florida College System, nineteen currently offer approved bachelor's programs, with most programs in education, business, and nursing.⁸⁵

We applaud these types of efforts but also believe that baccalaureate authority for community colleges should be extended cautiously to avoid negative consequences, such as limiting access and diverting attention from instruction to research. Community college baccalaureate authority should be provided where doing so does not duplicate the programs of nearby four-year institutions, and where it provides new access to place-bound students and addresses unmet labor market demands. Nationwide, twenty-one states now permit community colleges to award baccalaureate degrees.⁸⁶ While some have suggested that any granting of such degree authority to community colleges involves "mission creep," diluting the open-access nature of community colleges, Willis N. Holcombe, chancellor of the Florida College system, says that, if done properly, it need not. "The mission has not changed," he says. "Now we are just providing even more access."⁸⁷

There are many reasons that a state may wish to allow community colleges to grant bachelor's degrees. For example, as a practical matter, states that lack the funding capacity to build new four-year colleges are likely to turn to community colleges to produce more baccalaureate degrees. We note here that this sort of arrangement is also beneficial to the extent it reduces disparities between the types of student populations found in two and four-year colleges.⁸⁸

Take Concrete Steps to Facilitate Community College Transfer. Community colleges have, among others, two central functions—serving students whose ultimate goal is a certificate or associate's degree, and serving students who wish to continue on to a bachelor's degree. As noted earlier, certificates can be very valuable in the labor market, and many students who earn certificates may go on to both earn wages and continue their educations. But in recent decades, the transfer function of community colleges has been increasingly eclipsed, as only about one in ten students entering community college earns a bachelor's degree within six years, though eight in ten say they would eventually like to.⁸⁹ This development is especially problematic given the way in which the premium associated with a four-year as opposed to a two-year degree has grown considerably over time. U.S. Census data show that the

mean earnings of workers age 18 and over with a bachelor's degree has increased relative to that of workers with some college/associate's degree, from 47 percent more in 1975 to 68 percent more in 2010.⁹⁰

Research from the Jack Kent Cooke Foundation finds that talented community college students can transfer and thrive in even the most selective four-year colleges and universities. The foundation's Community College Transfer Initiative, begun in 2005, has allowed community college students to transfer to eight highly selective four-year institutions—Amherst, Bucknell, Cornell, Mount Holyoke, U.C. Berkeley, the University of Michigan at Ann Arbor, the University of North Carolina at Chapel Hill, and the University of Southern California. Preliminary data suggest the transfer students have comparable grade point averages and graduation rates to non-transfer students.⁹¹ Other programs, such as the Edvance Foundation's "Nexpectation Network" are supporting transfers between two-year institutions and private colleges and universities. Research from William Bowen and colleagues, likewise, finds that at public state flagship universities, transfer students are as likely to graduate as those who start at flagships as first years, and community college transfer students have an even greater chance of graduating than first years at less selective four-year institutions.⁹²

Accordingly, we recommend these steps to facilitate transfers:

- States should promote stronger articulation and transfer policies. The Western Interstate Commission for Higher Education has identified a number of promising practices that make for effective state transfer policies, including creating a plan for community college students to complete a core of general education courses, establishing clear channels to communicate information about transfer policies to institutions and students, and collecting data to evaluate the policies against set objectives. "Guaranteed transfer" programs can also be a powerful part of state articulation policies. Florida, Nevada, and New Hampshire, for example, all have policies that guarantee admission to a four-year institution for community college students meeting specified requirements.⁹³ To cite two illustrations, Valencia College, in Florida, winner of the 2011 Aspen Prize for Community College Excellence, has an agreement with the University of Central Florida called "DirectConnect." Under the policy, "students cannot transfer to UCF without an associate's degree, but cannot be denied admission if they have one from Valencia." (Valencia is also an example of the "university centers"

arrangement, as UCF has an outpost at Valencia.)⁹⁴ To take another example, Miami Dade College has a similar relationship with Florida International University. About half of Florida International students arrive from Miami Dade.

- States and/or the federal government should offer financial incentives to four-year colleges that accept economically disadvantaged community college transfer students.
- Four-year institutions should provide a clear, predictable pathway for students to transfer from community college. For example, Syracuse University seeks to provide community college students with a predicted financial aid package if they transfer to Syracuse.
- Task Force member Gail Mellow has suggested that Ivy League institutions commit “to accepting transfer students from community colleges for 1% of their junior class.” If this step were taken, “privileged students would begin to encounter students from the other 99%,” and transfer students “would provide living proof that intelligence, drive, and achievement are not the sole province of students born to good fortune.”⁹⁵ We would like to take this excellent idea even further and call on all highly selective four-year colleges and universities to commit to accepting community college transfers for 5 percent of their junior class. This 5 percent proposal seems eminently reasonable given that some elite institutions, such as the University of California at Berkeley and at Los Angeles—where roughly one-third of new students enrolling in 2008–09 were transfers from California community colleges—have already surpassed this goal.⁹⁶
- On the community college side, we think two-year institutions that do an unusually effective job of promoting transfer to four-year colleges (in light of their demographic mix) should be celebrated in an alternative to traditional school rankings that do not consider socioeconomic and racial characteristics of institutions.

Strengthening transfer policies not only would benefit those students who transfer, but also could draw a broader economic mix to community colleges, strengthening the political and social capital of two-year institutions. To the extent that community colleges are today viewed by middle-class families as institutions in which few students ultimately go on to earn a four-year degree, community colleges will remain unattractive to such families. Conversely, strong transfer programs from two- to four-year colleges should entice more students to begin at affordable

two-year institutions before moving on to receive a bachelor's degree. At a time when many American families are concerned about affording college for their children, a strengthened community college transfer process could substantially reduce the overall cost of a four-year degree.

In addition, more should be done to ensure that student credit hours—from two- or four-year institutions—are recognized in the form of a degree or certificate. According to the Georgetown Center for Education and the Workforce, 36 million Americans (more than 20 percent of the working adult population) have enrolled in college but have not completed a degree; and some one-third of this group (12–17 million) have completed more than sixty credit hours but received no recognition of their learning in the form of a degree or credential like an associate degree.⁹⁷ We believe that state education systems should explore and scale-up consistent approaches to awarding associate degrees to students who transfer from community colleges to universities, in order to fairly credit community colleges for their work in preparing transfer students and help individuals by providing them a postsecondary credential with proven currency in the labor market.

Innovation in Racially and Economically Inclusive Community College Honors Programs. Honors programs are an important “magnet” feature of community colleges, a way of reducing both racial and economic stratification. These programs, which are found on more than 160 community college campuses, range from those that offer entirely separate programs and have strict enrollment criteria to those that offer supplementary honors seminars to students above a certain grade point average and also provide advice on the transition to four-year colleges.⁹⁸

If one objective of having an honors program is to draw talented students from a range of economic and racial backgrounds, the challenge is to simultaneously offer programs that will be highly attractive to students who might not otherwise consider community college and yet at the same time avoid becoming tracking devices that segregate students within community colleges. Two distinct approaches may enable community college honors programs to thread this needle.

One possibility is to make honors programs accessible to a wide range of students by employing flexible requirements. A promising example is the honors program in Highline Community College in Des Moines, Washington, which does not have separate courses for honors students but rather pushes students to complete extra projects and papers in classes that are accessible to all. Students self-elect to join the honors

program, and anyone with a 3.5 GPA and twelve credit hours is eligible. Furthermore, students may participate in the honors program at varying levels: students who fulfill all the course requirements of the honors program graduate as Honors Scholars, but those who fall short of this mark may still earn honors credit for individual courses. In addition, all honors students, even those who do not graduate as Honors Scholars, benefit from the personal advising, interdisciplinary academic work, and priority registration afforded to participants of the program.⁹⁹ Although Highline does not offer socioeconomic data for their honors program, they do provide information about the cultural and racial makeup which suggests that enrollment is quite diverse. More than 40 percent of Honors Scholars are nonwhite, and one-third are male.¹⁰⁰ Less than half of the students in the honors program are “born-in-the-U.S. Caucasians.”¹⁰¹

A second model is the Honors College at Miami Dade College, which has stricter enrollment criteria than the program at Highline and a less fluid structure. At Miami Dade, students must meet a certain threshold for high school GPA, SAT, or ACT; submit an essay and recommendations; and participate in an interview.¹⁰² The Honors College at Miami Dade is more distinct from the rest of the institution than is the Highline honors program. Of the sixty credits needed to earn an associate’s degree, Honors College students have to take at least thirty-six credits in honors courses, which typically enroll only Honors College students. (Students outside the Honors College may get special permission to enroll in certain Honors College courses.) When the Honors College was created, Miami Dade ran ads in the community and gave Honors College faculty special training that included familiarizing them with “the honors mystique.”¹⁰³

An honors program structured like Miami Dade’s, with a competitive admissions process and largely separate programming, could be susceptible to tracking more affluent students. It has not been the case at Miami Dade, and community colleges can avoid tracking by taking affirmative steps to consider socioeconomic disadvantage in admissions and recruiting applicants from across the student body.

We recommend dedicated state and federal funding programs—akin to the federal Magnet Schools Assistance Program in K–12 schooling—to encourage community colleges to adopt honors programs under the condition that these programs (1) are sufficiently large in size to make a difference in the social composition of the campus as a whole; and (2) are inclusive and do not become privileged enclaves and separate tracks within institutions.

Encourage Innovation in Early College Programs that Enhance Community College Diversity. “Early college” programs, some of which allow talented high school students to take advanced courses at community colleges,¹⁰⁴ may provide a way of attracting high-achieving and middle-class populations to community colleges that are racially and economically isolated.

Most “dual credit” classes, which allow high school students to simultaneously earn college credit, are offered on high school campuses, but 23 percent are taught on a postsecondary campus, often a community college.¹⁰⁵ Because dual credit classes often attract academically advanced students who are sometimes charged tuition for courses, some research suggests students enrolled in dual credit classes may be more affluent than the general public school population.¹⁰⁶

At the same time, if properly structured, early college classes on community college campuses could provide an opportunity to create socioeconomically diverse settings because programs rarely offer separate classes for high school and college students. According to U.S. Department of Education data, of schools that offered academic dual credit classes on a postsecondary campus, 82 percent enrolled both high school and postsecondary students in the classes.¹⁰⁷ Of schools that offered career/technical dual credit classes on a postsecondary campus, 78 percent enrolled both high school and postsecondary students in the classes.¹⁰⁸

We recommend federal funding of those early college programs that would have the effect of better integrating two-year institutions that are racially and economically isolated. We also recommend that financial incentives be put in place to offset the cost of early college programs to community colleges. (Community colleges now bear the bulk of costs, as high school students are ineligible for federal financial aid.)

Prioritize Funding of New Programs for Economically and Racially Isolated Community Colleges. In addition to addressing stratification between the community college and four-year college sectors, there is the additional issue of socioeconomic and racial stratification between individual two-year institutions. As noted above, background research for this Task Force conducted by Sara Goldrick-Rab and Peter Kinsley finds that “more than three-quarters of the variation in racial composition among community colleges is directly attributable to the racial composition of their surrounding geographic locales.” But the study also finds that 10 percent of institutions “enroll a less-segregated student body than geography alone would predict.”¹⁰⁹

Because many low-income community college students have little choice in where they will attend college, we recommend that state and federal funding programs for honors programs, early college, and other initiatives be directed first to those community colleges with few middle-class students, just as attractive magnet programs are placed in higher poverty elementary and secondary schools

Policymakers should also be cognizant of economic and racial disparities within individual community colleges between different degree programs.

Provide Incentives for Four-Year Institutions to Engage in Affirmative Action for Low-Income Students of All Races to Match Community College Diversity Efforts. A better designed system of higher education requires that four-year institutions do more to educate low-income and minority students. To the extent that community colleges are able to create magnet-type programs to attract more middle-class students, this development could exacerbate overcrowding problems. Accordingly, the movement of students should flow in both directions, so that middle-class students move into community colleges and low-income students who might have gone to community college are given access to four-year colleges.

There is a great deal of evidence that four-year institutions could do a much better job of attracting “strivers,” low-income students who achieve at higher levels than expected given the disadvantages they face. Research finds that while colleges do take affirmative steps to increase racial and ethnic diversity, most do virtually nothing to increase socioeconomic diversity.¹¹⁰ There is also a great deal of evidence that many low-income students could perform well, even in the most selective institutions. Anthony P. Carnevale and Stephen J. Rose found that the most selective 146 institutions could boost the proportion of students who come from the bottom half of the socioeconomic distribution from the current share of 10 percent to 38 percent, and graduation rates would remain as high as they are today.¹¹¹ Likewise, new research from Stanford’s Caroline Hoxby and Harvard’s Christopher Avery finds that a substantial portion of high-scoring, low-income students do not attend selective colleges and are ripe for recruitment.¹¹²

The effort to recruit promising low-income students to four-year institutions is important in its own right. It will provide new opportunities for low-income students and the greater diversity created will benefit the education of all students. But expanded efforts would also serve as a complement to plans enacted by community colleges to attract

more middle-class students by relieving overcrowding at the community college level. In short, breaking down stratification between two- and four-year colleges will require deliberate programs on the part of both sets of institutions.

Indeed, we recommend that every state policy, federal policy, or institutional practice that aims to increase diversity in community colleges should be matched by a state policy, federal policy, or institutional practice that aims to increase diversity on four-year campuses. Thus, if states create bachelor's degree programs at community colleges, thereby attracting more affluent students to those institutions, an equal amount of funding and effort should be allocated to ensuring that low-income students attend four-year colleges through, for example, increases in need-based aid and improved high school guidance efforts. If honors programs result in more white students attending community colleges, equal efforts should be made to ensure that four-year colleges enroll and graduate larger shares of minority students. (See Box 3.)

To provide teeth to this policy, we recommend that the diversity of students at every level of higher education—two-year and four-year—in each state be monitored regularly to assess whether access and success for different student populations by race and income is being at least maintained, if not increased, as a result of new community college diversification policies. If the net effect is lower rates of higher education access and completion for low-income and minority populations, those policies should be reversed.

The earlier recommendation to provide institutions with “adequacy-based” funding (with a premium for low-income students with greater needs) should itself provide some financial incentive for four-year institutions to recruit disadvantaged students more aggressively. In addition, to spur further movement in favor of socioeconomic diversity at four-year institutions, we recommend that influential college rankings be modified to consider socioeconomic diversity as a measure of quality. Socioeconomic diversity could be enhanced either by initially recruiting and admitting more low-income students, or by accepting larger numbers of low-income community college transfers.

To provide additional incentives for four-year colleges to enroll and graduate low-income students, we recommend the creation of a cash prize for the four-year college that increases Pell enrollment and graduation the most. On the flip side, we recommend the prominent publication by the U.S. Department of Education of a “worst offenders” list of the least economically diverse four-year schools in the country.

BOX 3 Concerns about Displacement

Any attempt to reduce stratification by attracting more middle-class students to community colleges raises the specter that low-income students might be displaced, a very grave concern for members of the task force as this would undercut the central mission of two-year institutions: to expand access and serve students not well-served by the larger system of higher education. Many states, particularly California, have seen drastic budget cuts, which have resulted in the elimination of course offerings, often to the detriment of low-income students, who may have less access to knowledge about ways to work the system when course slots are limited.

We believe serious concerns about displacement can be addressed if the key recommendations are implemented in tandem. First, the two-way strategy—economic affirmative action at four year institutions implemented in conjunction with enhanced “magnet” offerings at community colleges—should alleviate space constraints at either institution. If active steps are taken to counsel more qualified low-income and minority students to attend four-year colleges, spaces at two-year institutions will open up. Second, the new adequacy-based funding proposals—backed up by litigation—should enhance the financial position of community colleges, providing the resources to address any needs for expansion. In the long run, moreover, the greater presence of middle-class students should enhance the responsiveness of the political system to the need to provide sufficient funding to community colleges. To ensure no low-income and working-class community college students are displaced, our recommendations include a requirement that four-year diversity efforts must precisely match two-year diversity efforts.

Ultimately, the special mission of community colleges is not only to serve low-income and working class students, but to serve them well. Drawing upon a greater cross-section of American college students should enable community colleges to accomplish that goal—with greater resources, and enhanced expectations—far better than our current highly stratified system has.

CONCLUSION

Taken together, we believe these innovations in financing and governance of higher education—though not the only solutions—can dramatically enhance the prospect of millions of students attending our nation’s community colleges. The two primary strategies outlined—adequacy-based funding and de-stratification of student populations—go hand in glove.

Efforts to make inadequacies in community college funding more transparent, coupled with legal efforts to address underfunding, should make it possible to improve the quality of community colleges. Improved quality, in turn, may attract a broader cross-section of students, including those from more affluent backgrounds. The de-stratification that flows from increased quality, coupled with deliberate efforts to de-stratify higher education, should further promote the virtuous cycle. Less stratification should help create political capital to sustain investments in community colleges; and the higher expectations of less-stratified community college populations should help create “transfer cultures” that will improve outcomes for low-income students beyond the benefits associated merely with greater financial resources.

We recognize that in times of tight budgets, many policymakers see higher education as a target for cuts. But a wide body of research suggests that if we want to have a more prosperous nation, we need to supply businesses with well-trained personnel.¹¹³ This will require long-term investments and critical changes to our system of college and universities.

Our nation is experiencing profound demographic change. In May 2012, the U.S. Census Bureau released estimates showing that, for the first time, a majority (50.4 percent) of Americans less than a year old are racial or ethnic minorities.¹¹⁴ The U.S. Census Bureau projects that the percentage of the population ages 0–19 that is non-Hispanic white alone will drop from its 2010 level of 55.5 percent to 48.8 percent in 2025, and down to 38.1 percent in 2050.¹¹⁵ Our entire society has an enormous stake in ensuring that we tap into the talents of all of our children.

Today, community colleges are in great danger of becoming indelibly separate and unequal institutions in the higher education landscape. As *Brown v. Board of Education* helped galvanize our nation to address deep and enduring inequalities that had long been taken for granted, so today it is time to address—head on—abiding racial and economic inequalities in our system of American higher education. While we believe in sharing best practices, we believe that discussion is overly narrow. It is time to take bold action to enhance the role of community colleges in strengthening American competitiveness, bolstering American democracy, and reviving the American Dream.

APPENDIX:
LIMITATIONS OF THE INTEGRATED POSTSECONDARY
EDUCATION DATA SYSTEM (IPEDS) ON EVALUATING
GRADUATION RATES OF COMMUNITY COLLEGE STUDENTS

The College Board has concluded that “a major limitation of [the IPEDS institutional graduation rate] is that it only counts full-time, first-time students who begin in the fall, but most community college students initially enroll part time (often due to family or work responsibilities) and are not included.”¹¹⁶ The College Board then cites a 2009 article written by the Institute for Higher Education Leadership & Policy (IHELP), at Sacramento State’s Jeremy Offenstein and Nancy Shulock, who identify five major problems with IPEDS graduation rates:

1. “Unclear student goals complicate the assessment of meaningful outcomes for students.” Community college students attend for a variety of reasons, making it difficult to identify which students are really “degree-seeking.” In addition, “students may indicate that they are degree-seeking for the purpose of getting financial aid even though they do not intend to earn a degree.”
2. “Many students are excluded.” “Graduation and transfer-out rates only include students who attend full time and begin in the summer or fall term. This restriction was intended to level the playing field across colleges since some colleges serve much higher proportions of part-time, low-income students. Limiting graduation and transfer-out rates to ‘like’ students across colleges was felt to lead to more meaningful comparisons. But this choice has made graduation rate data virtually meaningless because fewer than half of community college students fit these criteria. In fact, national data suggest that only 39% of first-time, public two-year students attended full time, initially enrolled in the fall or summer, and planned on earning a degree or certificate. In contrast, 43% of beginning public two-year students planned on earning a degree or certificate but either did not attend full time during their first term of enrollment or enrolled at a time other than the summer or fall. The restrictions based on attendance and initial term of enrollment disproportionately exclude certain groups of students. In particular, the graduation and transfer-out rates tend to exclude adult students who are more likely to attend part time.”

3. "Time allowed for completion is unrealistic and problematic for certificates." Even rates calculated using 200 percent of normal time may be too short considering the fact that so many community college students attend part-time at some point.
4. "Student mobility complicates tracking completion and identifying first-time students."
5. "The concept of 'transfer' in IPEDS is flawed." On one hand, the measure undercounts the total number of students who transfer from community colleges to four-year institutions. Students who complete degree programs at community colleges before transferring to four-year institutions and students who fail to notify the community college of their transfer are not counted. On the other hand, the measure also includes lateral transfers, when a student transfers from one community college to another community college.¹¹⁷

NOTES

1. Christopher M. Mullin, "Why Access Matters: The Community College Student Body," American Association of Community Colleges Policy Brief 2012-01PBL, February 2012, 4.

2. U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS), <http://nces.ed.gov/ipeds/datacenter/>. These figures are for twelve-month enrollment at degree-granting institutions in the United States, 2010–11. The percentage of undergraduate students served by community colleges is smaller if fall enrollment or all institutions (including non-degree-granting) are selected.

3. Among all 2003–04 first-time postsecondary students, 49.4 percent earned a certificate, associate's degree, or bachelor's degree within six years; 50.6 percent of students had not earned a degree or certificate within six years (15 percent of students were still enrolled after six years, while 35.5 percent were no longer enrolled). "Six-Year Attainment, Persistence, Transfer, Retention, and Withdrawal Rates of Students Who Began Postsecondary Education in 2003–04," U.S. Department of Education, July 2011, Table 2.0-A, 17, <http://nces.ed.gov/pubs2011/2011152.pdf>. After six years, then, the college dropout rate is 36 percent and many of the remaining 15 percent of students still enrolled may never complete, as the likelihood of completion declines with time. The nonprofit National Student Clearinghouse Research Center offer somewhat more favorable data than the federal government. The Clearinghouse recently reported a 54 percent six-year graduation rate among first-time students. See National Student Clearinghouse Research Center, *Signature Report: Completing College: A National View of Student Attainment Rates*, November 2012, 6. By contrast, the overall high school dropout rate among the population ages 16 to 24 in 2010 was 7.4 percent; "Table 116: Percentage of High School Dropouts among Persons 16 through 24 Years Old (Status Dropout Rate), by Sex and Race/Ethnicity: Selected Years, 1960 through 2010," *Digest of Education Statistics*, U.S. Department of Education, National Center for Education Statistics, 2011, http://nces.ed.gov/programs/digest/d11/tables/dt11_116.asp.

4. Claudia Golden and Lawrence F. Katz, *The Race between Education and Technology* (Cambridge, Mass.: Harvard University Press, 2008), 1.

5. "United States," in *Education at a Glance 2012: OECE Indicators* (Paris: OECD, 2012), <http://dx.doi.org/10.1787/eag-2012-en>. These data do not include certificates.

6. Excerpts of the President's remarks in Warren, Michigan, White House, Office of the Press Secretary, July 14, 2009, http://www.whitehouse.gov/the_press_office/Excerpts-of-the-Presidents-remarks-in-Warren-Michigan-and-fact-sheet-on-the-American-Graduation-Initiative/ (accessed March 1, 2011); Thomas Bailey, "Can Community Colleges Achieve Ambitious Graduation Goals?" draft, prepared for the American Enterprise Institute Conference, *Degrees of Difficulty: Can American Higher Education Regain Its Edge?* February 15, 2011, 5, www.aei.org/event/100346.

7. Bailey, “Can Community Colleges Achieve Ambitious Graduation Goals?” 15.

8. Laura Horn and Paul Skomsvold, *Community College Student Outcomes: 1994–2009* (Washington, D.C.: U.S. Department of Education, Institute of Education Sciences, and National Center for Education Statistics, November 2011), Tables 1-A, 5-A and 7-A., <http://nces.ed.gov/pubs2012/2012253.pdf>.

9. “Reclaiming the American Dream: Community Colleges at the Nation’s Future,” A Report From the 21st-Century Commission on the Future of Community Colleges, 2012, viii.

10. Donna M. Desrochers and Jane V. Wellman, *Trends in College Spending: 1999–2009: Where Does the Money Come From? Where Does It Go? What Does It Buy?* (Washington, D.C.: Delta Cost Project, 2011), 7, 13, and 23, http://www.deltacostproject.org/resources/pdf/Trends2011_Final_090711.pdf.

11. Some community college programs (for example, nursing), do have entrance requirements.

12. Douglas N. Harris, “Ending the Blame Game on Educational Inequity: A Study of ‘High Flying’ Schools and NCLB,” Educational Policy Studies Laboratory, Arizona State University, March 2006, 20.

13. U.S. Department of Education, Institute of Educational Sciences, National Center for Education Statistics, National Assessments of Educational Progress (NAEP), 2011 Math Assessment, Grade 4.

14. Heather Schwartz, *Housing Policy Is School Policy: Economically Integrative Housing Promotes Academic Success in Montgomery County, Maryland* (New York: Century Foundation, 2010), 24, Figure 6.

15. Marco Basile, “The Cost Effectiveness of Socioeconomic School Integration,” in *The Future of School Integration: Socioeconomic Diversity as an Education Reform Strategy*, ed. Richard D. Kahlenberg (New York: The Century Foundation Press, 2012), 141–44.

16. See Kahlenberg, *The Future of School Integration*, 309–11.

17. See Genevieve Siegel-Hawley and Erica Frankenberg, “Magnet School Student Outcomes: What the Research Says,” National Coalition for School Diversity, Research Brief #6, <http://prprac.org/pdf/DiversityResearchBriefNo6.pdf>; and Jennifer Jellison Holme and Amy Stuart Wells, “School Choice beyond District Borders: Lessons for the Reauthorization of NCLB from Interdistrict Desegregation and Open Enrollment Plans,” in *Improving on No Child Left Behind: Getting Education Reform Back on Track*, ed. Richard D. Kahlenberg (New York: The Century Foundation Press, 2008).

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19. Bruce Baker, Lori Taylor, and Arnold Vedlitz, “Adequacy Estimates and the Implications of Common Standards for the Cost of Instruction,” Report to the National Research Council, May 30, 2008, 14, Table 2, <http://www.educationjustice.org>.

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21. Deborah A. Verstegen and Teresa S. Jordan, “A Fifty-State Survey of School Finance Policies and Programs: An Overview,” *Journal of Education Finance* 34, no. 3 (Winter 2009): 221.

22. See e.g. Anthony Carnevale and Stephen Rose, “Socioeconomic Status, Race/Ethnicity, and Selective College Admissions,” in *America’s Untapped Resource: Low-Income Students in Higher Education*, ed. Richard D. Kahlenberg (New York: The Century Foundation Press, 2004), 135.

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24. Josipa Roksa, Eric Grodsky, Richard Arum and Adam Gamoran, “United States: Changes in Higher Education and Social Stratification,” in Yossi Shavit, Richard Arum, and Adam Gamoran, *Stratification in Higher Education: A Comparative Study* (Stanford, Calif.: Stanford University Press, 2007), 166.

25. Anthony Carnevale and Jeff Strohl, “How Increasing College Access Is Increasing Inequality, and What to Do About It,” in *Rewarding Strivers: Helping Low-Income Students Succeed in College*, ed. Richard D. Kahlenberg (New York: The Century Foundation Press, 2010).

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28. In 2010, 33 percent of students in two-year public colleges were black and Latino compared with just 20 percent of students at private nonprofit four-year institutions. *Digest of Education Statistics* 2011, Table 241, cited in Baum and Kurose, 76, Table 1.

29. Goldrick-Rab and Kinsley, 121, Table 2.

30. Carnevale and Strohl, “How Increasing College Access Is Increasing Inequality,” 136–37. See also Baum and Kurose, 77, Figure 1 (citing federal data suggesting in 2007–08, the highest income quartile representation at community colleges had dropped to 15 percent).

31. Carnevale and Strohl, “How Increasing College Access Is Increasing Inequality,” 131–32.

32. See “How America Pays for College 2011: Sallie Mae’s National Study of College Students and Parents, Summary Report,” conducted by Ipsos Public Affairs (2011), 12, https://www.salliemae.com/assets/Core/how-America-pays/HowAmericaPaysforCollege_2011.pdf (finding that the share of low-income students attending two-year public colleges as opposed to other colleges increased from 20 percent in academic year 2007–08 to 33 percent in academic year 2010–11, while the share of middle-income students increased from 27 percent to 29 percent and the share of high income students from 16 percent to 22 percent. Between 2007–08 and 2010–11, the share of low-income students attending two-year public institutions increased by thirteen percentage points, middle-income by two percentage points, and high income by six percentage points; expressed in terms of percentage increases, the share of low-income students attending two-year public institutions increased by 65 percent, middle-income by 7 percent, and high-income by 25 percent).

33. William G. Bowen, Matthew M. Chingos, and Michael S. McPherson, *Crossing the Finish Line: Completing College at America’s Public Universities* (Princeton, N.J.: Princeton University Press, 2009), 233.

34. Jennifer Gonzalez, “Education for All?” *Chronicle of Higher Education*, April 22, 2012, citing the Community College Research Center at Columbia University’s Teachers College.

35. Desrochers and Wellman, *Trends in College Spending 1999–2009*, 52–57, Figure A2.

36. Baum and Kurose, 87, Table 5. Net tuition revenue at two-year public colleges rose from 18 percent of revenues in 1989 to 27 percent in 2009, as state and local appropriations declined from 72 percent of revenue to 58 percent.

37. Economist Richard Vedder of Ohio University illustrates the point by comparing the public subsidies of a private institution, Princeton University, and a public institution located twelve miles away, the College of New Jersey. On the surface, the College of New Jersey appears more heavily subsidized in the form of state and federal funding of about \$2,000 per pupil. But counting foregone tax revenue from endowment income and capital gains (an estimated \$245 million in 2010), tax-induced gifts (\$100 million), and government grants covering research overhead (\$75 million), Vedder estimates the public subsidy of Princeton to be \$54,000 per student. By comparison, he estimates the federal tax and research subsidies at the College of New Jersey to be less than \$600 per student. Richard Vedder, “Princeton Reaps Tax Breaks as State Colleges Beg,” Bloomberg News, March 18, 2012.

38. Jane G. Gravelle, “Tax Issues and University Endowments,” Memorandum to Honorable Max Baucus, Chairman, Senate Committee on Finance and Honorable

Chuck Grassley, Ranking Member, Senate Committee on Finance, Congressional Research Service, August 20, 2007; Joint Committee on Taxation, *Estimates of Federal Tax Expenditures for Fiscal Years 2007–2011*, JCS-3-07 (Washington D.C.: Government Printing Office, 2007); and Baum and Kurose, 92–94.

39. Desrochers and Wellman, *Trends in College Spending*, Figure A1, 48–51.

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42. *Ibid.*, 5.

43. Tamar Lewin, “Money Urged for Colleges to Perform Job Training,” *New York Times*, February 13, 2012, <http://www.nytimes.com/2012/02/14/education/obama-to-propose-community-college-aid.html>.

44. Bowen et al., *Crossing the Finish Line*, 233.

45. Richard Arum and Josipa Roksa, *Academically Adrift: Limited Learning on College Campuses* (Chicago, Ill.: University of Chicago Press, 2011), 52.

46. Bank, Barbara J., Ricky L. Slavings, and Bruce J. Biddle, “Effects of Peer, Faculty, and Parental Influences on Students’ Persistence,” *Sociology of Education* 63 (1990): 208–25. For the classic study highlighting the power of peer effects, see Alexander W. Astin, *What Matters in College? Four Critical Years Revisited* (San Francisco: Jossey-Bass Publishers, 1993). Astin, director of the Higher Education Research Institute at UCLA, analyzed more than 140 entering student characteristics and 190 environmental characteristics for almost 25,000 students at four-year institutions and concluded that “the single most important environmental influence on student development is the peer group” (xiv and 398). Moreover, among 35 measures of peer group characteristics, Astin concluded that “peer group SES [socioeconomic status] produced twenty-one significant direct effects on student outcomes, more than any peer group or faculty measure”—including positive cognitive effects on test scores and critical thinking skills (352–53 and 408).

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48. Steven Brint and Jerome Karabel, *The Diverted Dream: Community Colleges and the Promise of Educational Opportunity in America, 1900–1985* (New York: Oxford University Press, 1989), 119–20. More recent research finds that while a focus on community college associates degrees in vocational fields does not decrease transfer, institutions focusing on vocational short-term certificates do reduce ultimate educational attainment. Josipa Roksa, “Does the Vocational Focus of Community Colleges Hinder Students’ Educational Attainment?” *Review of Higher Education* 29, no. 4 (2006): 499–526, 519–20.

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55. C. Lockwood Reynolds, "Where to Attend? Estimates of the Effects of Beginning a Two-Year College," mimeo, University of Michigan, Ann Arbor, October 25, 2006, cited in Bowen et al., *Crossing the Finish Line*, 134.

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57. Bridget Terry Long and Michal Kurlaender, "Do Community Colleges Provide a Viable Pathway to a Baccalaureate Degree?" NBER Working Paper 14367, September 2008, 26.

58. Anthony Carnevale and Stephen J. Rose, "Engine of Social Mobility and Growth: Refuting Three Myths About Community Colleges," Forthcoming paper, Georgetown University Center for Education and the Workforce, 2013.

59. Bowen et al., *Crossing the Finish Line*, 107–08.

60. Mary Martinez-Wenzl and Rigoberto Marquez, "Unrealized Promises: Unequal Access, Affordability, and Excellence at Community Colleges in Southern California," Civil Rights Project at UCLA, January 2012, 36.

61. Melguizo and Kosiewicz, 139.

62. *Ibid.*, 142–43.

63. *Ibid.*, 144, 143.

64. *Ibid.*, 145, 150.

65. *Ibid.*, 150–152.

66. *Ibid.*, 146.

67. *Ibid.*, 152.

68. Goldrick-Rab and Kinsley, 120–21, Table 2.

69. Ibid.

70. Calcagno, Bailey, Jenkins, Kienzl, and Leinbach, “Community College Student Success” 644. (Instructional expenditure in this study did not have a statistically significant effect.)

71. Goldrick-Rab and Kinsley, 111.

72. Desrochers and Wellman, “Trends,” 40, Figure 19. See also Jane Wellman, “Financial Characteristics of Broad Access Public Institutions,” Background paper prepared for the Stanford Conference on Mapping Broad Access Higher Education, December 1–2, 2011, 18.

73. Mark Schneider, “The Hidden Costs of Community Colleges,” American Enterprise Institute, October, 2011, 2; and Wellman, “Financial Characteristics,” 19.

74. Calcagno, Bailey, et al., “Community College Student Success,” 644. See also Wellman, “Financial Characteristics of Broad Access Institutions,” 21–22, citing three research studies.

75. Baum and Kurose, 87.

76. Calcagno, Bailey, et al. find in their study of NELS data (at 644) that “expanding academic support services seem[s] to benefit the traditional-age student population.”

77. Committee on Health, Education, Labor, and Pensions, United States Senate, *For Profit Higher Education: The Failure to Safeguard the Federal Investment and Ensure Student Success* (Washington, D.C.: U.S. Government Printing Office, July 30, 2012), 90–91, <http://www.gpo.gov/fdsys/browse/committeecong.action?collection=CPRT&committee=health&chamber=senate&congressplus=112&ycord=0>. The investigation found that for-profits charge much more in tuition than community colleges yet higher fees do not translate into higher levels of support for students. The report found that associate’s degree programs at for-profits cost an average of four times as much as associate’s programs at community colleges. (*For Profit Higher Education*, 4.) And yet resources are much more likely to be devoted to recruiters than support staff. “In 2010,” the report concludes, “the for-profit colleges examined employed 35,202 recruiters compared with 3,512 career services staff and 12,452 support services staff, more than two and a half recruiters for each support services employee.” (*For Profit Higher Education*, 2.) Although for-profit two-year colleges do not receive the direct public subsidies provided to public community colleges, taxpayers end up paying an enormous amount in financial aid for which the public receives little in return. In 2009–10, the Senate committee study concluded, for-profit colleges received \$32 billion, 25 percent of the total Department of Education student aid program funds, despite the fact that students at for-profit colleges make up just 9.1 percent of all students at degree-granting institutions. U.S. Department of Education, National Center for Education Statistics, *Digest of Education Statistics 2011*, Table 196, “Enrollment, staff, and degrees/certificates conferred in postsecondary institutions participating in Title IV programs, by level and control of institution, sex of student, type of staff, and type of degree: Fall 2009 and 2009–10,” http://nces.ed.gov/programs/digest/d11/tables/dt11_196.asp. See also *For Profit*

Colleges, 3. Moreover, the researchers found: “Students who attended a for-profit college accounted for 47 percent of all Federal student loan defaults.” (*For Profit Colleges*, 9.) Accordingly, the under-funding of community colleges, which pushes increasing number of students into for-profit institutions, is highly inefficient.

78. See American Association of Colleges and Universities, “High Impact Educational Practices,” <http://www.aacu.org/leap/hip.cfm>.

79. Carnegie Endowment for the Advancement of Teaching, “Statway,” <http://www.carnegiefoundation.org/statway>; and “Developmental Math,” <http://www.carnegiefoundation.org/developmental-math>.

80. See, e.g., the state constitutions in Alabama, Arizona, Hawaii, Massachusetts, North Dakota, Utah, West Virginia, and Wisconsin.

81. See, e.g., Charles A. Dana Center, Complete College America, Inc., Education Commission of the States, Jobs for the Future, “Core Principles for Transforming Remedial Education: A Joint Statement,” December 2012, http://www.completecollege.org/docs/Remediation_Joint_Statement-Embargo.pdf.

82. Saul Geiser and Richard Atkinson, “Beyond the Master Plan: The Case for Restructuring Baccalaureate Education in California,” Center for Studies in Higher Education, University of California, Berkeley, November 2010.

83. *Ibid.*, 23.

84. *Ibid.*, 1.

85. Florida College System Task Force, “The Florida College System: Assuring Postsecondary Access That Supports Florida’s Future,” Florida Department of Education, December 2008, <http://www.fldoe.org/cc/pdf/CollegeSystemFinalReport.pdf>, 6–12, and “Florida College Bachelor’s Degree Programs,” Florida Department of Education, http://www.fldoe.org/cc/students/bach_degree.asp.

86. Paul Fain, “Michigan Lets Community Colleges Issue Four-year Degrees, amid Controversy,” *Inside Higher Education*, January 22, 2013.

87. Jennifer Gonzalez, “Go to Community College, Earn a Bachelor’s Degree: Florida Likes that Combination,” *Chronicle of Higher Education*, June 17, 2011, A1.

88. There is little research on the effects of hybrid programs on racial, ethnic, and economic stratification in higher education, but researchers have suggested that baccalaureate programs, in particular, are likely to attract more middle-class students to community colleges. See, e.g., Thomas Bailey and Vanessa Smith Morest, “Introduction: Defending the Community College Equity Agenda,” in *Defending the Community College Equity Agenda*, ed. Thomas Bailey and Vanessa Smith Morest (Baltimore, Md.: Johns Hopkins University Press, 2006), 1–27, 14.

89. Laura Horn and Paul Skomsvold, “Community College Student Outcomes: 1994–2009,” U.S. Department of Education, Institute of Education Sciences, and National Center for Education Statistics, November 2011, Tables 1-A, 5-A and 7-A, <http://nces.ed.gov/pubs2012/2012253.pdf> ; see also U.S. Department of Education, National Center for Education Statistics, *The Condition of Education 2003*, NCES 2003-067 (Washington, D.C.: U.S. Government Printing Office, 2003), 130, table 19-1, http://nces.ed.gov/programs/coe/2003/section3/tables/t19_1.asp.

90. U.S. Census Bureau Historical Times Series Tables, Table A-3, “Mean Earnings of Workers 18 Years and Over, by Educational Attainment, Race, Hispanic Origin, and Sex: 1975 to 2010,” <http://www.census.gov/hhes/socdemo/education/data/cps/historical/index.html>.

91. *Partnerships That Promote Success: Transfer from Community Colleges to Selective Four-Year Institutions*, conference hosted by the Jack Kent Cooke Foundation, September 15–17, 2010, <http://www.jkcf.org/grants/community-college-transfer/2010-conference/>.

92. Bowen et al., *Crossing the Finish Line*, 141.

93. “Promising Practices in Statewide Articulation and Transfer Systems,” Hezel Associates, Lumina Foundation for Education, and Western Interstate Commission for Higher Education, June 2010, <http://www.wiche.edu/info/publications/PromisingPracticesGuide.pdf>, ix, 16.

94. The Aspen Prize for Community College Excellence, 2011, 9, <http://www.aspeninstitute.org/sites/default/files/content/docs/pubs/AspenPrize021312.pdf>.

95. Gail Mellow, letter to the editor, “At Elite Colleges, Too Much Hubris,” *New York Times*, March 13, 2012, A24.

96. University of California StatFinder, <http://statfinder.ucop.edu/default.aspx>.

97. Anthony P. Carnevale, Tamara Jayasundera, and Andrew H. Hanson, “Career and Technical Education: Five Ways that Pay,” Georgetown University Center on Education and the Workforce, September 2012, 31.

98. Christopher Mullin, “Transfer: An Indispensable Part of the Community College Mission,” American Association of Community Colleges Policy Brief, October 2012, 5.

99. “Honors Scholar Program: Benefits for Students,” Highline Community College, <http://flightline.highline.edu/honors/benefits.htm> (accessed November 16, 2010).

100. “Making Excellence Inclusive: Community College Honors,” *AAC&U News*, December 2007, http://www.aacu.org/aacu_news/AACUNews07/december07/feature.cfm (accessed November 16, 2010).

101. “Honors Scholar Program: Why a Community College Honors Program?” Highline Community College, <http://flightline.highline.edu/honors/HONORS100/ToolKit2/why-a-community-college-program.html> (accessed November 16, 2010).

102. “Admissions,” The Honors College, Miami Dade College, <http://www.mdc.edu/honorscollege/admissions.asp> (accessed April 28, 2011), and “Maintenance Requirements,” The Honors College, Miami Dade College, http://www.mdc.edu/honorscollege/about_maintainance.asp (accessed April 28, 2011).

103. Alexandria Holloway, “The Honors College in a Two-Year College Setting: Miami Dade College,” in *The Honors College Phenomenon*, ed. Peter C. Sederberg (Lincoln, Neb.: University of Nebraska—Lincoln, 2008), 47, <http://digitalcommons.unl.edu/nchcmono/4/> (accessed April 28, 2011).

104. Some “early college” programs are aimed at giving underprepared students a chance to experience college in order to prevent later difficulties in transition. These programs may be important innovations in and of themselves but they do not advance the concern outlined in this report, which relates to socioeconomic and racial stratification.

105. Tiffany Waits, J. Carl Setzer, and Laurie Lewis, *Dual Credit and Exam-Based Courses in U.S. Public High Schools: 2002–03* (Washington, D.C.: U.S. Department of Education, Institute of Education Sciences, April 2005), 8, Figure 2, <http://nces.ed.gov/pubs2005/2005009.pdf> (accessed June 27, 2011).

106. In a 2007 study of Florida high school students, for example, 45.5 percent of non-dual enrollment students in the sample received free/reduced price lunch at some point in middle school, compared to 23.0 percent of dual enrollment students (those students who took at least one dual enrollment course in high school). See Melinda Mechur Karp et al., “The Postsecondary Achievement of Participants in Dual Enrollment: An Analysis of Student Outcomes in Two States,” National Research Center for Career and Technical Education, University of Minnesota, October 2007, 25, Table 1, <http://ccrc.tc.columbia.edu/publications/dual-enrollment-student-outcomes.html>.

107. Waits, Setzer, and Lewis, *Dual Credit and Exam-Based Courses in U.S. Public High Schools*, 14.

108. Ibid.

109. Goldrick-Rab and Kinsley, 111, 129.

110. See, e.g., William G. Bowen, Martin A. Kurzweil and Eugene M. Tobin, *Equity and Excellence in American Higher Education* (Charlottesville, Va.: University of Virginia Press, 2005), 105, Table 1.

111. Carnevale and Rose, “Socioeconomic Status, Race/Ethnicity, and Selective College Admissions,” 148–49.

112. Caroline M. Hoxby and Christopher Avery, “The Missing ‘One-Offs’: The Hidden Supply of High-Achieving, Low Income Students,” National Bureau of Economic Research Working Paper Series, December 2012.

113. See, e.g. Golden and Katz, *The Race between Education and Technology*.

114. Minorities in the study are defined as people who are not “single-race white and not Hispanic.” See “Most Children Younger Than Age 1 Are Minorities,” United States Census Bureau, May 17, 2012, <http://www.census.gov/newsroom/releases/archives/population/cb12-90.html>, and Carol Morello and Ted Mellnik, “Census: Minority Babies Are Now Majority in United States,” *Washington Post*, May 17, 2012, http://www.washingtonpost.com/local/census-minority-babies-are-now-majority-in-united-states/2012/05/16/gIQA1WY8UU_story.html.

115. United States Census Bureau, *2008 National Population Projections: Summary Tables*, Table 12, “Projections of the Population by Age and Sex for the United States: 2010 to 2050,” and Table 13, “Projections of the White Alone Population by Age and Sex for the United States: 2010 to 2050,” <http://www.census.gov/population/projections/data/national/2008/summarytables.html>.

116. “Transfer and Completion: Graduation Rates,” College Board, <http://completionarch.collegeboard.org/completion/graduation-rates>.

117. Jeremy Offenstein and Nancy Shulock, “Community College Student Outcomes: Limitations of the Integrated Postsecondary Education Data System (IPEDS) and Recommendations for Improvement,” Institute for Higher Education Leadership and Policy, California State University, Sacramento, August 2009, 7–9, http://www.csus.edu/ihelp/PDFs/R_IPEDS_08-09.pdf.

Additional Comment of Arthur J. Rothkopf

I commend the work of the Task Force, Richard Kahlenberg, and the researchers who helped inform this work. The report is an important addition to understanding the role of community colleges and the economics of higher education. I am confident the report will be a valuable part of the ongoing policy discussions on the role of community colleges. While I am unable to sign the report for the reasons discussed below, there are several recommendations that I enthusiastically support.

The Task Force is on target in concluding that community colleges are critical to the strategy necessary to address America's skills and education gaps, which threaten our ability to compete in the global economy. Community colleges also are central to addressing the need for Americans to obtain a solid education and the skills to obtain meaningful, well-paying employment.

I strongly endorse the following recommendations of the Task Force:

1. *Establish Greater Transparency Regarding Public Financial Subsidies to Higher Education.* More information about public support for higher education will prove especially valuable to policy-makers as they consider options.
2. *Encourage the Growth of Redesigned Institutions.* This recommendation will encourage greater connections among two- and four-year institutions and attract a broader cross-section of students to the new schools model.
3. *Take Steps to Facilitate Community College Transfer.* In order to make this recommendation a reality, new policies are required to permit easier transfers of credits between community colleges and public and private four-year institutions.

4. *Encourage Innovation in Economically Inclusive Community College Honors Programs.* This recommendation is an important part of the effort to attract high-achieving students to community colleges. I would not focus on race but solely on socioeconomic factors. I do not believe that racial factors should be a focus of the Task Force report, but rather, the emphasis should be on economic stratification.
5. *Encourage Innovation in Early College Programs That Enhance Community College Diversity.* This recommendation should prove valuable in attracting high-achieving students to community colleges that are economically isolated. I would not favor federal funding of these efforts.
6. *Encourage Four-Year Institutions to Engage in Affirmative Action for Low-Income Students of All Races.* The current trend in this direction needs to be accelerated.

On the other hand, I do not favor the adoption of a federal government K–12, Title I-type program for community colleges, nor do I support the recommendation that federal government funding for honors, early college, and other programs be directed first to those community colleges with few middle-class students. All community colleges should be treated alike.

The U.S. government is currently at a point where the utmost fiscal austerity must be imposed on current programs, and especially on significant new programs. The Title I program for K–12 not only is very expensive, but its outcomes are far from clear. Certainly there is widespread acknowledgement that current results from K–12 public education fall far short of what we have a right to expect. Incorporating the Title I approach into funding community colleges seems questionable, unless the data strongly supports it. I do not believe that is the case here. One example is Figure 6 of the Task Force report, which indicates that per-pupil public funding of public community colleges is slightly higher than per-pupil public funding of the public master's schools. It does not appear from this chart that community colleges are being short-changed in relation to their four-year public sister institutions.

The Task Force recommendation supporting a Title I approach to community college funding suggests that outcomes be taken into account in determining where the funding is directed. This is a commendable suggestion, but highly doubtful in application. Federal data on postsecondary students is currently so confusing and often unavailable as to

make this suggestion impractical. Until we have a federal unit record system covering all students, this recommendation could not be properly implemented.

If more funding for community colleges is to be considered by the Congress, which I believe requires much more persuasive data, consideration should be given to “paying for” any new program by eliminating those federal tax credits that benefit those who would attend college in any event. As pointed out in the Task Force report, these tax credits can benefit families with income of up to \$180,000 a year. Another potential source of revenue would be the denial of a federal tax deduction for contributions to the intercollegiate athletic programs of colleges and universities. These programs provide no benefit to the educational missions of their institutions.

