Chapter One

Factors Influencing Community College Finance

America's social experiment with broad access to postsecondary education was initiated with the Morrill Act of 1862 (P.L. 37–108), which expanded publicly controlled and supported institutions of higher learning to those who either were destined for college or had the courage to attend (Morrill, 1887). This latter element—paying attention to the courage of people to attend college—embodies the open access philosophy of much of higher education.

In 1901, the first community college was established in Joliet, Illinois. The ensuing years witnessed the establishment of many more community colleges under both public and private control, often under the initiative of local efforts supported by state leaders.

In the middle of the twentieth century, states began making commitments to continue the legacy of the land-grant colleges by extending postsecondary educational opportunity to the masses, beginning the modern community college movement. The starting point for the development of community colleges in each state varied (Yarrington, 1966), but it was supported in part by the development of coordinated state systems of public higher education and in the establishment of some state community college systems (Tollefson, Garrett, Ingram, & Associates, 1999).

For many years, community colleges were not exclusively public colleges; in 1950 the balance between public and private institutions was nearly equal, with 297 public community colleges and 227 privately controlled community colleges. The public community college movement took root between 1960 and 1980, with the number of public institutions increasing from 328 to 945, while over the same time period the number of private community colleges decreased by 72, to 182 (Figure 1.1). By 2010 public

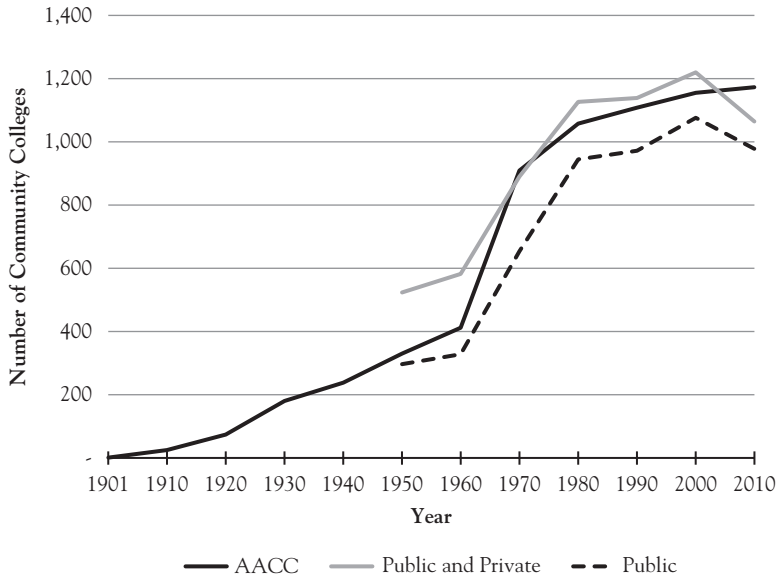

Figure 1.1 The Number of Community Colleges, by Type and Source: 1901 to 2010

Note: Three trends are provided for the number of community colleges. The American Association of Community Colleges (AACC) provides a count of member-eligible institutions that meet certain criteria and includes both public and private institutions. One reason the AACC trend line does not drop off as the others do in 2010 is that the criteria allow for the awarding of bachelor's degrees, whereas the other two data sources do not count an institution as a community college if it offers just one bachelor's degree.

Sources: Adapted from American Association of Community Colleges (2010), Phillippe and González Sullivan (2005), Snyder and Dillow (2013).

community colleges greatly outnumbered private community colleges, at 978 and 87, respectively.

Over time, higher education structures and governing arrangements developed by states have changed in the way in which they have provided educational opportunity. For example, states like Kentucky, Louisiana, Connecticut, Minnesota, Maine, Hawaii, and Alaska have, in the past 20 years, completely restructured their postsecondary education systems, while other states such as California and Illinois have stood firm in their vision. However, irrespective of the overarching state system, the innovation of the community college has expanded educational opportunity to the masses. Within these institutions, millions of economically and socially marginalized people have found their footing. Through the lens of time this chapter examines the factors shaping community college finance, including enrollments, employment, and competitors for resources.

The Public Community College Movement

Traditionally and primarily, though not exclusively, community colleges have been funded on the basis of enrollments, either by the governmental appropriations that are derived from enrollments or through tuition and fee revenue. This differs from those of their public higher education counterparts that receive substantial revenue from research activities, endowments, or other auxiliary services such as hospitals. These non-enrollment resources are enormous: total revenues for public four-year institutions are nearly five times as much as total revenues for community colleges, at $261.2 and $56.2 billion, respectively, in the 2011–2012 school year (Snyder & Dillow, 2014). Given the disproportionate reliance on enrollment-based revenue, the community college "movement" was fueled in large part by being able to identify new markets of students underserved by "traditional" institutions of higher education, while also enrolling students interested in transferring to a senior college.

Setting aside the financial dimension of enrollments, what is less emphasized in today's outcome-oriented climate is the central significance of access in the community college. Of particular importance at the community college is participation by nontraditional populations: those students who are not aged 18 to 24, do not live on campus, and do not have parental resources to help cover the costs of attendance. In 2015, the challenge for many community colleges is to ensure that nontraditional students are served well, given their intrinsic role in the nation's long-term prosperity. The community college leaders of the country recognize that enrollment in college is in and of itself an achievement, albeit not a sufficient one in most cases. So while some policymakers bemoan the fact that colleges are funded simply through people's being in seats—and therefore, they would assert, lacking accountability—the policymakers also show both a misunderstanding and an appreciation of the efforts of national and local leaders to remove barriers to opportunity and mobility that is accomplished through their local community college. We now briefly discuss a few factors that have contributed to the growth of the community college movement and, as a result, its funding.

Enrollment Trends

The GI Bill awakened the nation's awareness of the value of postsecondary education, as millions of returning servicemen who had not previously had postsecondary education ambitions attended college. Yet while community college enrollment doubled during the 1950s, the years following the end of the Second World War were not "boom" years for the community college sector to the extent commonly believed. In 1947 just over 163,000 students were enrolled at a public community college. By 1957 enrollment had increased to 315,990, a 94% increase. The period of greatest growth for the community college movement would occur in the next decade.

During the 1960s, growth in the community college sector was massive, increasing nearly fivefold, from approximately 400,000 to

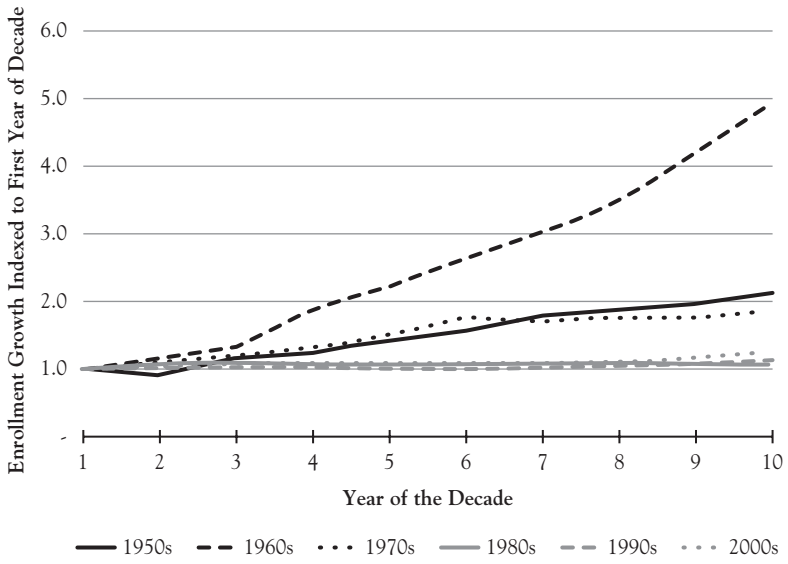

Figure 1.2 Enrollment Growth in Public Community Colleges Indexed to the First Year of the Decade: 1950s to 2000s

Note: Year "1" reflects the first year of the decade. For example, for the 1950s, year 1 represents 1950, year 2 represents 1951, and so on.

Source: Adapted from Snyder and Dillow (2014).

2,000,000 (Figure 1.2). Enrollment growth in the community college sector continued in the 1970s when 1.86 million additional students were enrolled.

Enrollment and Age

Since 1968, increased participation in higher education has been the trend across all age groups. Between 1968 and 2012 the percentage of each age group increased as follows (U.S. Census, 2014):

For ages 18 and 19, from 35.9% to 47.3%

For ages 20 and 21, from 31.2% to 51.4%

For ages 22 through 24, from 12.7% to 29.8%

For ages 25 through 29, from 6.0% to 13.6%

For ages 30 through 34, from 3.4% to 7.4%

Data for 2012 indicate that community colleges enrolled a large number of nontraditional students: both younger, those under 18, and older, those over 24 (American Association of Community Colleges, 2014). Between 1993 and 2009, the percentage of the national community college student body under the age of 18 increased from 1.6% to 7.0% (Mullin, 2012d). These are, of course, primarily dual enrollment students; that is, high school students who are also taking community college courses in one of a variety of settings. At the same time, 71% of the student body was over the age of 22. So although the median age was 22, the average age of the community college student body in 2012 was 28, due to a large older student population mathematically pulling the mean (average) age to 28 (American Association of Community Colleges, 2014). These enrollment patterns outside of the traditional 18-to-24-year-old undergraduate student body had much to do with the growth of community colleges, as these nontraditional students have traditionally been less represented in other sectors of higher education (though, as will be discussed, this has changed somewhat with the growth of corporate for-profit colleges).

Enrollment and Gender

Women students became a majority of community college enrollments in the late 1970s, a trend that continues to the time of this writing (Figure 1.3). Between 1960 and 2010, the gender balance of community colleges shifted from 1.8 men for every woman on campus to 0.8 man for every woman.

The shift to a greater number of women enrolling in college is not unique to the community college sector. However, a greater percentage of both the men and women enrolling are enrolling in community colleges. Data from the National Center for Education Statistics indicate that in 1970, 26% of all male students enrolled in college were attending community college (Snyder & Dillow, 2013); by 2010, 34% of male college students attended community college. In 1970, 25% of female college students were enrolled at community colleges; by 2010, that figure was 34%.

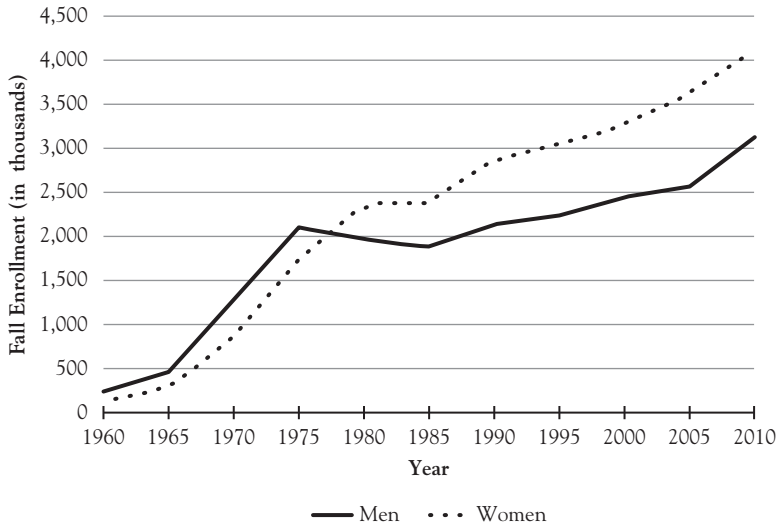

Figure 1.3 Fall Enrollment at Public Community Colleges, by Gender: 1960 to 2010

Source: Adapted from Grant and Lind (1973), Snyder and Hoffman (1995), and Snyder and Dillow (2013).

Access for Students of Color

Community colleges serve as a primary entry point to college for nonwhite populations. In 1964, a decade after *Brown v. Board of Education* (347 U.S. 483, 1954) and the year before enactment of the *Higher Education Act of 1965* (Pub. L. 89–329, 1965), just 6% of the student body in higher education was nonwhite (Mullin, 2012d). By 1976, the first year that comparable data were available, 20.6% of the community college student body was nonwhite, compared to 17.8% of the rest of higher education (Table 1.1). Thirty-five years later, in 2011, 40% of black students, 50% of Hispanic students, and 45% of Native American Alaskan Native students were enrolled at a community college.

The growth in the number of students attending community colleges underscores the role community colleges play in providing access to higher education. Historical trends—along with the current economic forces, the selectivity and cost patterns at

Table 1.1. Fall Term Enrollment at Community Colleges, by Race/Ethnicity: Select Years

Year (Fall)	Total	Race/Ethnicity				
		White	Black	Hispanic	Asian/ Pacific Islander	American Indian/ Alaska Native
Public Community College (in thousands)						
1976	3,748	2,974	410	208	78	39
1986	4,414	3,379	430	326	183	47
1996	5,315	3,613	597	631	318	67
2006	6,225	3,820	843	964	431	76
2011	7,063	3,907	1,081	1,330	427	76
Within Year Distribution						
1976	100.0%	79.4%	10.9%	5.5%	2.1%	1.0%
1986	100.0%	76.6%	11.2%	11.9%	6.0%	1.3%
1996	100.0%	68.0%	11.2%	11.9%	6.0%	1.3%
2006	100.0%	61.4%	13.5%	15.5%	6.9%	1.2%
2011	100.0%	55.3%	15.3%	18.8%	6.0%	1.1%
All Undergraduate (*not* including community college students; in thousands)						
1976	5,671	4,767	800	533	145	91
1986	6,384	5,179	1,050	566	237	210
1996	7,012	5,156	1,670	761	448	400
2006	8,959	6,065	2,664	1,164	846	567
2011	11,001	6,704	3,967	1,618	1,355	658
Within Year Distribution						
1976	100.0%	84.1%	14.1%	9.4%	2.6%	1.6%
1986	100.0%	81.1%	16.4%	8.9%	3.7%	3.3%
1996	100.0%	73.5%	23.8%	10.9%	6.4%	5.7%
2006	100.0%	67.7%	29.7%	13.0%	9.4%	6.3%
2011	100.0%	60.9%	36.1%	14.7%	12.3%	6.0%

Notes: Race/ethnicity may not sum to total due to rounding and the exclusion of other categories.

Sources: Snyder (1992), Snyder and Hoffman (2000), Snyder and Dillow (2010, 2012).

four-year institutions, and U.S. demographic trends—all suggest that enrollment at community colleges will keep growing, as long as they continue to serve the populations they have traditionally enrolled. Indeed, the recognition that college attendance is necessary for individual economic success is spreading broadly throughout the population.

Community Colleges and Unemployment

Whether funded through inputs or outcomes, enrollment is the driving factor in community college revenues. For public institutions, the reliance on public coffers to fund their activities means that the state's economy is integral to their financial well-being. A strong economy generally means lower enrollments with more funding per student, whereas a weak state economy generally results in more students with less funding.

Figure 1.4 illustrates the impact of the economy, as measured by unemployment rates, on community college enrollments. Over the

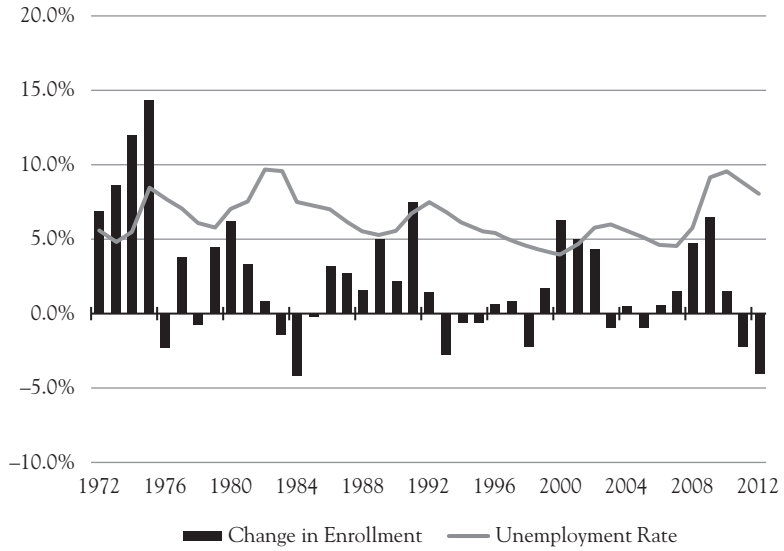

Figure 1.4 Annual Percent Change in Community College Enrollment and the National Unemployment Rate: 1972 to 2012

Sources: Adapted from Snyder and Dillow (2009, 2013) and U.S. Department of Labor (2014).

five periods shown in the figure, the same pattern appears: as unemployment increases, so does the yearly increase in enrollments. As the economy improves and unemployment drops, enrollments at community colleges tend to decrease as well. This trend held prior to the time show in the figure; from 1930 to 1935, enrollment at community colleges increased in excess of 20%, as the impact of the Great Depression was felt across America (Lombardi, 1976).

During times of economic contraction, marked by increases in unemployment, community colleges are often called on to offer training that can get the unemployed back into the workforce quickly (Katsinas, D'Amico, & Friedel, 2011). Frequently this means offering more short-term programs, generally one year or less, targeted to business and industry needs. But also, as a more general matter, short-term certificates are becoming a growing component of community college program offerings. Between the 1989–90 and 2009–2010 academic years, the number of short-term certificates (those of one year or less) increased 429% at community colleges, from 46,494 to 259,705 (Mullin, 2011).

In some cases, the training required could be met with noncredit workforce development training. Noncredit courses can often be developed and offered more rapidly than credit offerings. The Maricopa (Arizona) Community College district, for example, responded to decreases in state fiscal support by establishing the Maricopa Corporate College, which caters to the needs of business (Fain, 2014). Its offerings are generally noncredit courses.

Increasingly, however, there is a push from policymakers to have this training provided as credit-bearing courses leading to an educational certificate. This push toward credit-bearing education aims to support the policy goals of the federal and state governments to have a more formally educated workforce. (While noncredit workforce training has substantive value and may result in an industry-recognized credential, it is not counted as increased educational attainment for policy purposes, as it is not currently quantifiable, nationally or internationally. However,

industry certifications are becoming increasingly aligned with formal academic credentials.)

For institutions supported by tax dollars, there is a direct connection between economic performance and funding. Reduced funding in periods of economic downturn impacts community colleges in a number of ways and often creates extreme challenges bordering on chaos. First, institutions attempt to plan financially a few years into the future and, to the extent possible, tend to use projections built upon prior funding. Economic jolts substantially outside of an institution's budget forecast lay carefully laid plans to waste, as discussed in more detail in Chapter 13. Another response to these shocks can be an increase in tuition and fees, a topic discussed further in Chapter 12. Economic shocks can also influence the decisions of institutional leadership in terms of the type of faculty hired, the nature of their contracts, and influence other personnel decisions. Furthermore, the type and scope of programs that can be offered also come under more exacting assessment. Finally, and perhaps most important to our current conversation, recessions alter the trajectory of future funding, as the funding for the current year is always informed by previous funding (Katsinas, Lacy, Adair, Koh, D'Amico, & Friedel, 2013).

The Origin of Public Resources

The U.S. Congress, all state legislatures, and all local government agencies raise money for a vast number of interests, ranging from courts, policing, imprisonment, and national security to social programs, environmental protection, emergency actions, defense, and education. These revenues come from taxes, as raising revenue is *the* primary function of taxation, although it has come to play a much broader policy role as well. Simply put, a tax is a payment authorized by and paid to a governmental agency to be used either *as* a revenue source to perform operations deemed necessary and appropriate by the agency; to redistribute wealth by various means; *or* to regulate and protect the general welfare.

Whether it is a tax based on consumption or production (personal or corporate income, Social Security and payroll, sales, property, excise, licensing, and tolls) or a tax on wealth and unearned income (estate, gifts, and capital gains), it is important to note that all taxes are paid by individuals. Even the taxes paid by major and small corporations are paid based on the profit from sales (manufactured goods and services) paid for by individuals at some point. The origination of taxes at the individual level reinforces the public good expected from all sectors of higher education while also raising issues related to how tax revenues are realized. The former is the focus of this book, whereas the latter addresses related issues of public finance (the appendix provides information on the principles of taxation).

Government revenue originating from income taxes paid to the federal and most state governments, sales taxes paid to the states and many local authorities, or property taxes paid to local governments all are essential to the operation of all sectors of higher education. Tax-based funds generated at all levels are the primary revenue source for community colleges and all of public higher education, with tuition revenues a close second. In their FY2013 State Higher Education Finance Report (SHEF), the State Higher Education Executive Officers (SHEEO, 2014) reports that for FY 2013 states contributed $72.4 billion or 51% of current operating monies to higher education institutions in the United States. Net tuition accounted for $61.8 billion or 43%, and local sources contributed $9.2 billion or 6%. The total for FY 2013 was $143.4 billion.

Competition for Public Resources

Community colleges compete with other entities for revenue. These include other sectors of higher education and a panoply of programs.

State Resources

A number of activities are funded through state budgets, including public services, higher education institutions, and state student higher education aid programs.

Public Entities

Broadly speaking, public service activities are grouped by the U.S. Department of Commerce into eight categories: General Public Service (executive, legislative, tax collection, financial management and interest payment expenditures), Public Order and Safety (police, fire, law courts, and prisons), Economic Affairs (transportation, agriculture, industry, and others), Housing and Community Services, Health, Recreation and Culture, Income Security, and Education. Between 1959 and 2012, the percentages of state expenditures for these categories have, not unexpectedly, altered (see Figure 1.5). As a percent of total expenditures, the areas of Health (13%), General Public Service (2%), Public Order and Safety (2%) increased, Recreation and Culture remained at the same percentage of state expenditures, and Economic Affairs (–8%), Income Security (–5%), Education (–4%), and Housing and Community Services (–1%) decreased.

The trends illustrated in Figure 1.5 show that education spending experienced an initial growth period as a share of state spending

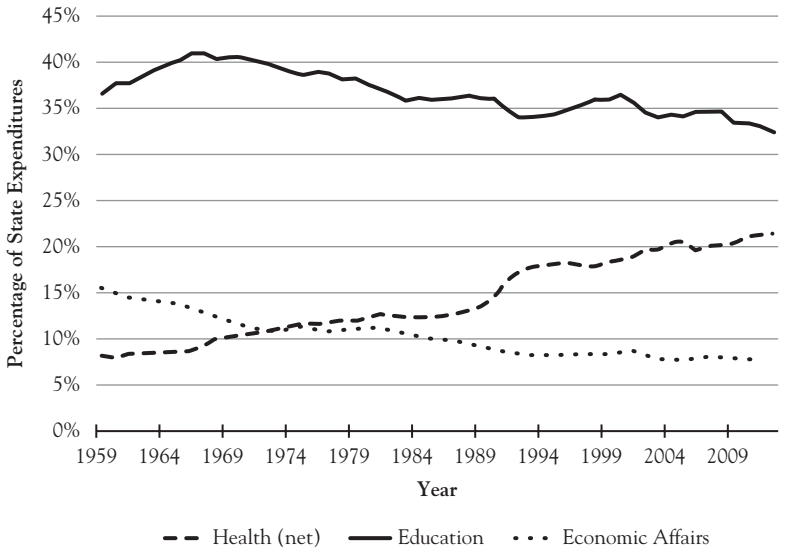

Figure 1.5 Distribution of State Expenditures for Health, Education, and Economic Affairs: 1959 to 2012

Source: Adapted from U.S. Department of Commerce (n.d.).

in the early 1960s, peaked in 1966, and then steadily declined. Within that education category, state expenditures for elementary and secondary education decreased 7% between 1959 and 2012, but decreased 10% from the peak year of 1966 to 2012. For higher education, there was a 2% increase in the allocation of state expenditures between 1959 and 2012, from 4% to 6%. However, the highest percentage of state budgets allocated to higher education (7%) came in the mid- to late 1970s, rather than in the 1960s as was the case for compulsory education.

Higher education exists in a unique place in relation to government funding. While K–12 education is compulsory, neither the United States nor state constitutions require the provision of free public higher education. From a practical standpoint at the state capitols, the funding of higher education—be it public, private, four-year, or two-year—is fundamentally a discretionary activity. Zumeta (1995) referred to this tentative, discretionary position for higher education as that of a budget balancer. Analysis of state budgets by Delaney and Doyle (2011) reinforces the budget balancer concept and suggests one obvious reason why, in times of retrenchment, budgets for higher education are cut more than those for other public services: colleges and universities can raise revenue from tuition and fees. Or perhaps higher education is simply not a top budget priority. Reporting on a series of surveys of state directors of community colleges, Katsinas, Lacey, Adair, Koh, D'Amico, and Friedel (2013) noted that K–12 was perceived to be the largest state budget driver in 2007 and 2008, followed by the recession in 2009 to 2011 and then Medicaid in 2012 and 2013.

Student Financial Aid

State resources for public institutions are also diminished by channeling state funds to student aid programs, and thereby private and for-profit institutions, rather than sending it directly to public colleges. New York was at the forefront of this practice. During the establishment of the State University of New York

in 1948, the commission leading its development adopted the perspective of a member who stated, "While recognizing that there was a place in our [SUNY] system for community colleges, I could not quite see why community colleges should be placed, as proposed, at the very core of our system of higher education. The community college would thus become the major recipient of the state's higher education funds … we should strengthen the state's private universities and colleges through an expanded scholarship program" (cited in Carmichael, 1955, p. 170). In 2011 and 2012, students attending publicly controlled institutions of higher education received 70.8% of all state student aid funds, with students at private institutions receiving 22.4% and students at for-profits receiving 5.5% (National Association of State Student Grant and Aid Programs [NASSGAP], 2005). The share of funds going directly to community college students was not reported; however, analysis by NASSGAP staff found that while 29% of students attending community colleges received state-based student aid, just 15% of all state aid program funds went to those students (Solomon, 2011), far less than their proportion of the overall undergraduate population.

Within state allocations to higher education, community colleges also compete, more or less explicitly, with their public four-year counterparts. Over time, community colleges have received, on average, approximately 20% of state tax appropriations for postsecondary education (Mullin, 2010a). The persistent funding disparities stem in part from the political and practical realities that do not allow for an abrupt shifting of resources. Another reason is the program mix at different institutions and the varying associated costs of running the program. For example, it is generally, though not always, the case that educating a graduate student costs more than educating a student pursuing a subbaccalaureate degree. But some of the disparity is doubtless due to the profile of the students served in the various sectors.

Private Sectors of Higher Education

Community colleges are just one of four primary sectors of higher education (colleges and universities); the other three are public four-year, private four-year, and for-profit institutions. All sectors of higher education reinforce the importance of higher education writ large, but the private sector institutions take different approaches with respect to themselves and each other.

Private Non-Profit Institutions

Private non-profit institutions, of course, consist of more than just the likes of Harvard, Princeton, and Yale. The sector has a wide range of member institutions, represented by groups such as the National Association of Independent Colleges and Universities and the Council for Independent Colleges. In the nineteenth and twentieth centuries, private colleges received public appropriations. Chambers (1968) noted that between "1880 to 1920 Pennsylvania similarly made direct appropriations to several denominational colleges, but in 1921 its supreme court declared that practice unconstitutional" (p. 88). Concern regarding private institutions receiving state appropriations centered on the denominational nature of private colleges, as that public support violated the separation of church and state. With the ability to receive direct appropriations or other revenues from public sources restricted, policy options to support those colleges—which by mid-twentieth century had gained a high profile—were limited. Symposia, convenings, articles, and books captured the tenor of the conversations; see, for example, Harris's (1960) *Higher Education in the United States: The Economic Problems*. A key issue during this time was the widening difference in tuition and fee prices between public and private institutions and, more specifically, what to do about it. (Callan [2002] suggests this focus continues in the modern era.)

Keeney (1960) pondered, "What will happen if the privately supported institutions double tuition and consequently double

salaries? The state institutions will be forced to increase their salaries and will, therefore, need a considerably increased income" (p. 42). (This perspective is informed by the recognition, true today, that private and public four-year institutions compete for the same faculty.) The question would be how to pay for it. As the reauthorization of the Higher Education Act of 1965 approached in early 1970s, two options gained traction—should Congress increase federal appropriations to institutions of higher education or expand student financial aid to support increases in tuition and fees?

During the establishment of federal student aid on a broad scale at the beginning of the 1970s, public universities favored institutional grant aid rather than student financial aid in order to keep tuition low and reduce the administrative complexity and budgetary outlays necessary to implement complex student aid programs (Gladieux & Wolanin, 1976). Conversely, private liberal arts colleges advocated for federal student aid as "a means of enabling them to compete with low-cost public institutions" (ibid., p. 47) for students.

In the end, an expansion of the student aid system won out over institutional grant aid during the debates and ultimate enactment of the 1972 Educational Amendments to the Higher Education Act of 1965, as detailed by Gladieux and Wolanin (1976) in *Congress and the Colleges*. This decision had momentous implications for public policy, with most university advocates, including those in the public sector, now being thankful that the legislature endorsed student aid over institutional support. Some of the resulting dynamics of this choice are discussed in Chapter 5, focusing on student aid.

As part of the debate leading up to the decision to expand student financial aid, Chambers (1968) commented that increases in tuition, supported by student aid, would make it more difficult for low-income students to attend college. To him, student financial aid was simply a mechanism to redirect public funds to private entities. In commenting on the debate between institutional grant aid, favored by public institutions, and an expanded student

aid program, favored by private institutions, Chambers (1968) suggested the application of the following question regarding any proposed financing scheme, to get at the core of the proposal: was the funding scheme designed to (1) indirectly channel tax dollars to private colleges or (2) shift the cost of education away from the public and therefore to the student?

The substantial role and amount of public tax-oriented funds going to private non-profit institutions was not lost on Breneman and Finn (1978); they observed "it is ironic that the private sector has recently chosen to rename itself the 'independent' sector when the data show *financially* these institutions are anything but independent of government" (emphasis in original, pp. 25–26). This observation continues to hold true 40 years after the Educational Amendments of 1972, as the plurality of Federal Supplemental Educational Opportunity Grant (FSEOG) and Federal Work Study funds went to private colleges, while more than half of federal Perkins Loans went to students attending private institutions (College Board, 2013a).

Mensel (2013), leader of the American Association of Junior Colleges' federal relations effort in 1972, commented that the community college sector did not fully support the institutional aid program because it was inequitably structured; he noted "The grants would [have been] made in this order: $1,200 per FTE in graduate work, $400 per upper-division FTE, and $100 per lower-division FTE" (p. 52). The primary—and ultimately unsuccessful—focus for community colleges during the 1972 reauthorization was on the establishment of state postsecondary systems, otherwise known as 1202 Commissions, in which community colleges would be incorporated with universities rather than be governed by a state's K–12 system. The primary drivers behind the push for 1202 Commissions were the introduction of accountability measures, increased government regulation, and a concern for equity and efficiency (Tillery & Wattenbarger, 1985).

Private For-Profit Institutions

For-profit institutions are businesses that have a responsibility to owners (including shareholders) to generate profit. Rather than compete head-on with traditional higher education institutions, for-profit colleges have largely focused on markets underserved by traditional higher education institutions, though this population includes many of the nontraditional students whom community colleges aim to serve. Hentschke (2010) identified five actions that for-profit institutions were considering in order to expand into new markets:

- Shifting focus from the employer to the worker
- Increasing competition with traditional colleges and universities
- Developing partnerships with traditional colleges and universities
- Reaching down an educational level to high schools
- Aggregating coursework from various institutions to develop a coherent program of study or to award a credential

It also must be acknowledged that for-profit colleges have reached some students that non-profit higher education has not.

The for-profit sector of higher education has grown dramatically over the past 30 years, in large part because of the availability of student aid funds: they diverge from community colleges in certain fundamental aspects. These include governance, tuition, reliance on student aid, profits, and expenditures on operations such as advertising (Mullin, 2010b). These differences were highlighted in the debates surrounding the 2010 gainful employment regulations and their second finalization in October 2014. However, we can

expect the for-profit sector to continue as a source of competition for community colleges in the coming years. There is too much overlap in program offerings and student population for it be otherwise.

Conclusion

This chapter examined trends that influence community college finance including enrollments, unemployment, and other state funding commitments in order to portray the factors that allow us to consider what the future portends.

Questions

Identify two community colleges and complete the following questions. Community colleges may be located by using the College Navigator tool of the National Center for Education Statistics at http://nces.ed.gov/collegenavigator/.

1. Examine trends in enrollment at two community colleges from the 2007–08 to the 2011–12 academic year. Are they similar or different? Why or why not?
2. Do the unemployment trends in the state(s) in which the colleges are located run counter to enrollment trends between the 2007–08 and 2011–12 academic years?
3. How much state student financial aid, as reported by NASSGAP in their annual report, went to nonpublic institutions in the state(s) in which the colleges are located in 2007–08 and 2011–12?