

Community Colleges and the Economic Downturn

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The current economic downturn has consequences for both college students and for colleges and universities. For students of all ages, the loss of a job or the fear of losing a current job - their own employment or that of a parent or spouse - clearly affects enrollment decisions: should I go or return to college, and if so, where, and at what cost. For institutions, the budget problems affecting the states have a clear and direct impact on the resources allocated to public colleges and universities.

Community colleges are the largest segment of American higher education: as of fall 2007, the nation's public two-year institutions enrolled more than a third (34.6 percent or 6.3 million) of the 18.2 million students enrolled in public, private, and for-profit degree-granting colleges and universities (NCES, 2009, Table 9). It is with good reason that community college leaders proclaim that their institutions are always on the front line of the economy, during good times and bad.

To assess the impact of the current economic downturn on community colleges, the League for Innovation in the Community College and The Campus Computing Project, in partnership with the education business of Pearson, surveyed community college presidents during late February and early March 2009, just after Congress passed the economic stimulus package. The survey, completed by 120 community college presidents and district chancellors, focused on changes in enrollments, campus employment, and budgets between winter 2008 and winter 2009. The survey provides new and timely data about the ways that the economic downturn affects community colleges and community college students, and how the nation's community colleges are coping with the downturn.

Rising Enrollments

The survey points to dramatic gains in community college enrollments over the past 12 months. More than 9 in 10 (92 percent) of the presidents and chancellors participating in the winter 2009 survey report that headcount enrollment in their districts and on their campuses has increased compared to one year ago (Table 1). Moreover, almost three-fourths of the presidents (71 percent) indicate that headcount enrollment is up by 5 percent or more compared to winter 2008. Additionally, large numbers of presidents and chancellors report year-to-year enrollment gains across key categories of their student population: full-time students (up at 86 percent of the campuses participating in the survey), part-time students (82 percent), transfer oriented students (74 percent), reverse transfer students coming back from four-year colleges (62 percent), certificate programs (72 percent), and enrollment in workforce development programs (77 percent).

The data also point to dramatic enrollment growth in key programs and service areas as the economy has soured over the past 12 months (Table 2). For example, more than three-fourths (77 percent) of the community college presidents participating in the survey report enrollment

gains in core academic and degree transfer programs: moreover, almost half (46 percent) of the presidents report enrollment gains of 5 percent or better in core academic programs. Similarly, presidents report growing enrollments in remedial/developmental education programs (82 percent) and student success/freshman development programs (59 percent).

Table 1
Enrollment Trends in Community Colleges, Winter 2009
(percentages as reported by campus presidents and district chancellors, winter 2009)

	TOTAL Headcount <u>Enrollment</u>	Full-Time Students	Part-time Students	Transfer Oriented Students	Reverse- Transfer Students	Certificate Programs Students	Workforce Development Students
Change in Enrollment Compared to Winter, 2008							
decline >10 pct.	1	0	0	0	0	1	0
decline 5-10 pct.	3	4	3	2	1	1	1
decline 1-4 pct.	3	2	4	3	2	2	4
no change	22	8	10	30	36	24	18
gain 1-4 pct.	21	26	26	29	40	36	26
gain 5-10 pct.	43	44	38	27	16	27	36
gain >10 pct.	48	14	18	18	6	9	15

Source: Winter 2009 League for Innovation/Campus Computing Project of Community College Presidents

Table 2
Enrollment Gains in Key Programs Areas, Winter 2009
(percentages as reported by campus presidents and district chancellors, winter 2009)

	Core Academic/ Transfer Courses	Remedial Education Developmental Ed. Courses	Student Success/ Freshman Yr.. Programs	Career Enhancement/ Refresher Courses	Vocational Training Courses & Programs
Change in Enrollment Compared to Winter, 2008					
decline >10 pct.	0	0	0	0	0
decline 5-10 pct.	1	1	1	1	2
decline 1-4 pct.	3	3	1	3	4
no change	19	14	39	39	15
gain 1-4 pct.	31	38	23	28	41
gain 5-10 pct.	33	31	28	22	26
gain >10 pct.	13	13	8	8	12

Source: Winter 2009 League for Innovation/Campus Computing Project Survey of Community College Presidents

The survey also highlights rising enrollments in key occupational areas. For example, three-fifths (59 percent) of the presidents report enrollment gains in business and accounting courses and programs: 44 percent report enrollments in these areas are up by more than 5 percent (Table 3). Enrollment in information technology courses and programs rose at two-thirds (67 percent) of the institutions and districts participating in the survey; moreover, 64 percent of the presidents report that gains in IT courses and programs were up by more than 5 percent over the past 12 months. And four-fifths (78 percent) of the presidents report rising numbers in health care courses and programs: fully two-thirds (65 percent) indicate that their health care enrollments grew by more than 5 percent since winter 2008.

Table 3
Enrollment Gains in Occupational Fields, Winter 2009
(percentages as reported by campus presidents and district chancellors, winter 2009)

	<u>Business & Accounting</u>	<u>Health Care</u>	<u>Information Technology</u>
Change in Enrollment Compared to Winter, 2008			
decline >10 pct.	0	0	1
decline 5-10 pct.	3	1	2
decline 1-4 pct.	7	3	7
no change	32	18	23
gain 1-4 pct.	26	28	40
gain 5-10 pct.	28	37	24
gain >10 pct.	5	13	3

Source: Winter 2009 League for Innovation/Campus Computing Project Survey of Community College Presidents

Online courses in community colleges exploded over the past 12 months: 93 percent of the presidents participating in the survey report rising enrollment in online courses compared to winter 2008. Moreover, almost three-fourths (71 percent) report enrollment growth of 5 percent or more (Table 4). Although the gains are not as dramatic, fully half (50 percent) of the presidents report rising numbers in online certificate programs over the past 12 months, while 55 percent cite gains in the number of students enrolled in online degree programs.

Table 4
Enrollment Gains in Online Courses and Programs, Winter 2009
(percentages as reported by campus presidents and district chancellors, winter 2009)

	<u>Online Courses</u>	<u>Online Certificate Programs</u>	<u>Online Degree Programs</u>
Change in Enrollment Compared to Winter, 2008			
decline >10 pct.	0	0	0
decline 5-10 pct.	1	2	1
decline 1-4 pct.	2	0	0
no change	5	49	44
gain 1-4 pct.	22	25	25
gain 5-10 pct.	40	14	20
gain >10 pct.	31	11	10

Source: Winter 2009 League for Innovation/Campus Computing Project Survey of Community College Presidents

Interestingly and perhaps surprisingly given reports about budget cuts and rising enrollments, the vast majority of presidents (91 percent) report that their institutions are not under an enrollment cap at present. A very small number (2 percent) report that their institutions experienced an enrollment cap at the beginning of the current academic year; similarly a small number (3 percent) report that an enrollment cap was imposed after classes began in fall 2008. Finally, 4 percent of presidents report that they expect an enrollment cap to be imposed on their institutions for fall 2009.

Budget Cuts

The rising enrollment numbers stand in stark contrast to the budget cuts imposed on community colleges over the past year (Table 5). Almost three-fifths (57 percent) of the presidents and chancellors participating in the survey report budget cuts at their institutions,

while a third (34 percent) report budget increases compared to winter 2008. However, 70 percent of the campuses experiencing budget cuts had their budgets reduced by 5 percent or more compared to the previous academic year. In contrast, among those campuses reporting budget increases, only a third report gains of 5 percent or better.

Table 5
Budget Trends in Community Colleges, Winter 2009
(percentages as reported by campus presidents and district chancellors, winter 2009)

	Total Institutional Budget	Instructional Resources	Administrative Resources & Services	Information Technology Resources	Professional Development	Student Financial Aid
Change in Budget Compared to Winter, 2008						
decline >10 pct.	7	6	9	4	16	5
decline 5-10 pct.	31	15	20	13	13	3
decline 1-4 pct.	19	23	27	26	24	6
no change	9	23	20	24	30	42
gain 1-4 pct.	25	24	21	23	13	28
gain 5-10 pct.	8	8	3	8	3	13
gain >10 pct.	1	1	1	2	1	3

Source: Winter 2009 League for Innovation/Campus Computing Project Survey of Community College Presidents

More than two-fifths of presidents report cuts in their budgets for instructional resources, although as above, a third (33 percent) report budget increases in this area. Well over half (56 percent) report reductions in their resources for administrative services, while a fourth (25 percent) report increased funding for administration. Information technology budgets fell at more than two-fifths (43 percent) of community colleges participating in the survey, but were up at a third (33 percent). Professional development support was also cut at more than two-fifths of community colleges (43 percent), although almost a sixth (17 percent) of presidents report modest increases in this budget line. Reflecting what seems to be a clear commitment to support students affected by the economic downturn, more than two-fifths (44 percent) of presidents report increased institutional funds for student financial aid in winter 2009; in contrast, just a seventh (14 percent) report reduced funding for student financial aid.

Compounding the budget challenges confronting community colleges are mid-year budget cuts: three-fifths (61 percent) of the presidents report that their institutions also experienced mid-year budget rescissions.

Employment

The impact of the budget cuts appear in the survey data about employment trends: two-fifths (38 percent) of the presidents report a hiring freeze at their institutions; an equal number (38 percent) report a decline in total institutional employment over the past 12 months. Among the campuses experiencing a hiring freeze, the focus is clearly administrative and support staff: presidents report frozen hiring for instructional support staff (41 percent of the campuses), senior administrative positions (47 percent), clerical and administrative staff (48 percent), and facilities and other site support staff (42 percent). In contrast, only 27 percent of campuses now under a hiring freeze have locked down full-time faculty appointments and just 16 percent have frozen positions for part-time faculty.

The actual staff reductions are highest for administrative positions (at 31 percent of the campuses participating in the survey), clerical staff (39 percent), and facilities and other site support personnel (32 percent; Table 6).

Table 6
Employment Trends in Community Colleges, Winter 2009
(percentages as reported by campus presidents and district chancellors, winter 2009)

	Total Institutional <u>Employment</u>	Full-Time <u>Faculty</u>	Part-Time <u>Faculty</u>	Senior Campus <u>Administrators</u>	Clerical & Administrative <u>Support Staff</u>	Facilities & Other Site <u>Support Staff</u>
Change in Employment Compared to Winter, 2008						
decline >10 pct.	1	0	1	1	0	1
decline 5-10 pct.	3	1	5	6	3	3
decline 1-4 pct.	34	17	13	24	36	28
no change	37	53	28	64	47	60
gain 1-4 pct.	24	24	40	7	13	9
gain 5-10 pct.	2	5	13	1	0	0
gain >10 pct.	0	1	1	0	0	0

Source: Winter 2009 League for Innovation/Campus Computing Project Survey of Community College Presidents

Strategies for Responding to the Downturn

The survey included questions about institutional strategies to address the challenges presented by rising enrollments and falling budgets. Table 7 reveals that community colleges are, in general, not adding academic advisors and career counselors to work with the rising numbers of students coming to campuses and to academic and occupational programs. More than half of the presidents (53 percent) report that their institution decided not to hire more academic advisors; a similar number (54 percent) report that their campus will not increase the number of career counselors to serve students in vocational and occupational programs. Related to the issue of academic support, in addition to the budget cuts affecting resources for information technology, three-fourths of the presidents indicate that their campuses decided not to move to outsourced IT user support services, a strategy many two- and four-year college have deployed to leverage limited IT resources.*

Table 7
Institutional Support Services, Winter 2009
(percentages as reported by campus presidents and district chancellors, winter 2009)

	Hiring More Academic Advisors To Assist <u>Transfer Students</u>	Hiring More Career Counselors to Assist <u>Voc. Ed Students</u>	Outsourcing Info. Technology <u>User Support Services</u>
doing this already	24	16	8
beginning in 2008-09	2	6	2
beginning in 2009-10	4	5	3
currently reviewing	18	19	12
decided not to do this	53	54	75

Source: Winter 2009 League for Innovation/Campus Computing Project Survey of Community College Presidents

*Disclosure: PerceptIS and Presidium Learning, two firms that provide outsourced IT services to colleges and universities, are corporate sponsors of The Campus Computing Project.

Presidents indicate that their campuses are developing new programs in the quest for new revenues. Almost half (45 percent) report that new program development was already underway as the downturn began; a tenth began to develop new programs in the current academic year, and a seventh (15 percent) report plans to develop new programs in 2009-10, while one-fifth (21 percent) are currently reviewing options for new programs (Table 8).

Table 8
Program Development Strategies, Winter 2009
(percentages as reported by campus presidents and district chancellors, winter 2009)

	Developing New Programs to be a Source of New Revenue	Increasing Online Courses	Increasing Online Programs	Licensing "Pre-Packaged" Curricular Resources	Exploring Open Source Curricular Options
doing this already	45	67	59	15	19
beginning in 2008-09	11	3	7	4	3
beginning in 2009-10	15	12	9	7	6
currently reviewing	21	12	16	21	30
decided not to do this	7	7	9	54	42

Source: Winter 2009 League for Innovation/Campus Computing Project Survey of Community College Presidents

Given the data cited above documenting rising enrollments in online courses and programs (Table 4), it comes as no surprise that two-thirds (67 percent) of the presidents would report that their campuses are already increasing the number of online courses, while two-fifths (59 percent) report increasing online programs. Interestingly, in their efforts to launch new programs and secure new revenues, comparatively few institutions are using "prepackaged" curricular resources provided by publishers (15 percent); concurrently, just a fifth (19 percent) of presidents report their institutions are exploring "Open Source" curricular options as part campus efforts to develop new programs.

Despite the widespread budget cuts, many presidents report that they are not delaying or deferring program expansion (Table 9). More than half (55 percent) report their institutions decided not to delay the expansion of academic programs while two-thirds (64 percent) indicate no plans to delay or defer the expansion of workforce development programs. The decision to press on with program expansion despite budget cuts reflects in part a commitment to serve students with new programs that address the changing workforce training and education needs of local communities, coupled with a commitment on the part of presidents to develop new programs that will generate new revenue for their institutions.

Table 9
Decisions About Expansion Plans and Expenditures, Winter 2009
(percentages as reported by campus presidents and district chancellors, winter 2009)

	Delaying/Deferring Academic Program Expansion	Delaying/Deferring Workforce Development/ Occupational Program Expansion	Delaying/Deferring Capital Expenditures
doing this already	21	10	32
beginning in 2008-09	3	1	4
beginning in 2009-10	6	5	6
currently reviewing	17	19	18
decided not to do this	55	64	40

Source: Winter 2009 League for Innovation/Campus Computing Project Survey of Community College Presidents

While determined to move forward with program expansion, the downturn has affected campus plans for building construction and renovation. One-third of presidents (32 percent) report campus plans to delay or defer capital expenditures; 10 percent will begin to delay or defer planned capital expenditures either this year or next, while another 20 percent report that decisions about capital expenditures are under review. (The availability of federal money from the economic stimulus plan for “shovel ready” projects may help some community colleges resume capital spending.)

Presidential Perspectives

Table 10 provides data on the perspectives of community college presidents and campus chancellors on some key issues affecting their institutions. Despite rising enrollments, three-fifths (57 percent) report increased competition for students from for-profit colleges. Concurrently, a third (33 percent) report pressure from state authorities to consolidate programs while three-fourths (74 percent) indicate that they are under pressure from state authorities “to develop collaborative programs with other postsecondary institutions.”

More than four-fifths (85 percent) of the presidents report efforts to encourage faculty to “look at alternatives to traditional textbooks as a way to reduce costs” for students. Fully 9 in 10 (90 percent) of the presidents report their campuses are offering more online courses and programs in response to student interest and demand. In contrast, only a third (39 percent) agree that their institutions are moving to expand online programs “as a way to reduce the cost of instruction.” Confirming other data in the survey, four-fifths (77 percent) of the presidents report efforts to develop new programs and services that will generate new revenues for their institutions.

	<u>Agree</u>	<u>Strongly Agree</u>
We are experiencing increased competition for from for-profit colleges.	45	12
We are under pressure from state authorities to consolidate programs.	26	7
We are under pressure from state authorities to develop collaborative programs with other postsecondary institutions.	53	21
We are encouraging faculty to look at alternatives to traditional textbooks and course materials as a way to reduce costs for our students.	70	15
We are offering more online courses and programs in response to student demand.	55	35
We are offering more online courses and programs as a way to reduce the costs of instruction.	30	9
We are developing new academic programs as a way to generate new sources of revenue.	64	13
The economic stimulus plan passed by Congress in February will benefit enrollment and programs at my college.	61	6
The economic stimulus plan passed by Congress in February will benefit employment in my community	64	7

Source: Winter 2009 League for Innovation/Campus Computing Project Survey of Community College Presidents

Finally, community college presidents seem optimistic that the economic stimulus plan passed by the Congress in February will benefit their institutions and communities. Two-thirds (67 percent) agree that the stimulus plan “will benefit enrollment and programs” at their institutions; a slightly larger number (73 percent) agree that the stimulus plan will “benefit employment in [my] community.”

Summary and Discussion

The survey data confirm the anecdotal reports that in the midst of the current economic downturn, community college enrollments are way up, budgets are down, mid-year budget cuts are common, and online courses and programs are growing.

However, what often seems lost (or forgotten) in the current discussion about the impact of the economic downturn is that community colleges and the rest of American higher education were only beginning to recover from the budget cuts that accompanied yet another recession earlier in the decade. Consequently, community colleges, along with other sectors, are again at the mercy of an unpredictable ebb and flow cycle of dollars and enrollments. Stated another way, community colleges, perhaps even more so than other sectors, are again at the receiving end of the “do more with less and do it better” mantra (or directive) that now routinely accompanies economic downturns.

The survey data highlight the issue of infrastructure support for students and faculty. Understandably, community colleges are hiring faculty in response to rising enrollments. But budget cuts and hiring freezes mean that institutions cannot hire academic advisors and career counselors to aid and assist students who are coming (or coming back) to campus and who require assistance outside the classroom to map academic options and career opportunities in a changing economy. And as previously noted, the cuts in IT resources will no doubt result in reduced IT support services at many community colleges, even as enrollments rise, online courses and programs grow, and demand for IT services and support from students, faculty, and staff increases. Indeed, given that so much of the public conversation about the economic stimulus and recovery plan has focused on the need to invest in infrastructure, so too must the investment in community colleges recognize the need for infrastructure investment to support students and assist faculty.

Finally, the survey confirms that online courses and programs are no longer at the periphery curricular offerings at two-year colleges. Rather, the accelerated growth in online enrollment over the past year affirms that online education is now just another option and opportunity for both the college and the college student. Additionally, the data document the fact that the growth in online courses and programs is fostered by student demand rather than an assumption that online courses reduce the institutional cost of instruction. Indeed, over the past decade campus officials have learned that online courses may actually involve higher instructional costs because of the need for additional technical training and support for both students and faculty, plus the costs of converting curricula for online instruction. Concurrently, online courses provide students with on-demand convenience – anytime, anywhere learning – and often save students time and money because they are not commuting to campus.

The survey data affirm that as has been their practice in past periods of rising unemployment and economic upheaval, community colleges will continue to serve with distinction, struggling but succeeding to do more with less: serving more students with less resources than other segments of higher education, serving more students with less money this year than last.

Reference

- National Center for Education Statistics, *Mini-Digest of Education Statistics, 2008*. Washington, DC: National Center for Education Statistics, US Department of Education, March 2009.