

President's Report

Dr. R. Scott Ralls

State Board of Community Colleges

Friday, January 16, 2015

Last Friday morning while casually eating my oatmeal and scanning the newspaper, I sensed that the day could be more eventful than the usual Friday when I read that the President would be announcing a major education and economic proposal that focused on community colleges. My instincts were confirmed later that morning when reporters started calling seeking my thoughts.

A quick review of the information available revealed that, later that day, President Obama would travel to Pellissippi State Community College in Hardin Valley, Tennessee, to roll out "America's College Promise," a proposal to make community college free for certain students across the nation. The proposal calls for nationwide free tuition for students who attend at least half-time, maintain a 2.5 grade point average and enroll in either programs that have guaranteed transfer of credits between community colleges and four-year institutions, or occupational training programs leading to in-demand degrees and certificates.

It is modeled very closely on "Tennessee Promise," Governor Bill Haslam's statewide program to increase the percentage of Tennesseans with college degrees or certificates from 30 to 55 percent. Tennessee has become a focal point of interest for education innovations in recent years, with apparent success for building bipartisan commitment for common goals over multiple Governors and multiple political party terms.

Estimates are that a national program like the Tennessee Promise would cost approximately \$6 billion annually, require states to provide a 25 percent match, support student success outcomes, and ensure transfer guarantees between two- and four-year colleges. Obviously, if this proposal ever came to fruition, our System could be sitting in a good place. We've already done a lot of heavy lifting on student success efforts and articulation guarantees, and I assume the fact that we have one of the lowest tuitions in the nation would mean our state's matching requirements would be much easier to bear, revenue-wise, than most states.

While this proposal is preliminary – long on good intentions but short on details – it has engaged the nation and our state in a discussion about community colleges. Since Friday, multiple individuals and media outlets have asked my thoughts on this, as they have many college leaders across the state and the nation, so I thought it appropriate to share them with you as some of the leaders who may wrestle with this concept.

First, if this proposal sparks a serious conversation about student access to higher education and increasing access through controlling tuition costs, I think that's a conversation whose time has come. This summer, an influential article by Massachusetts Institute of Technology (MIT) economist, David Autor noted postsecondary degree attainment as the single greatest factor in rising income disparity. The household income gap between college and high school graduates has increased \$28,000 since 1979. Completely eliminating that gap through greater postsecondary attainment would be four times more than the amount the gap would be

narrowed by taking all the earning gains from the top one percent of wage earners since 1979 and redistributing them among the other 99 percent (Autor, David H.; *Skills, education, and the rise of earnings inequality among the "other 99 percent"*)

But while education beyond high school is increasingly important to the American Dream, college attendance rate for low-income families has been on the decline since the Great Recession started in late 2007. Average four-year college costs required 114 percent of average annual income for students from the bottom 20 percent of family incomes in 2011 compared to only 42 percent in 1972.

One immediate value of the President's proposal is that it shines a bright light on the opportunities our System can create through greater college access and affordability. That is why I was somewhat disappointed by those who summarily dismissed the proposal based solely on estimated cost.

I will be the first to admit being skeptical of anything that is labeled "free", and this proposal did not give many specifics on cost. In this case, we all know that while community college education is efficient and relatively inexpensive, it is not free, and when quality is cheapened, it often comes at the cost of completion. And, I am not totally comfortable with the notion of students having no financial skin in the game. Don't get me wrong. I definitely believe that finances should never be a deterrent to someone attending college, but oftentimes when something is "free," it is not properly valued.

All that being said, I think the discussion related to cost questions requires some context. Perhaps an examination of other budgetary expenditures in this same cost range might help us gain some perspective. It is also important to note that today the Federal government spends \$68 billion annually on financial aid. Perhaps shifting more of that expenditure toward successful community college students in particular areas of study might be a prudent fiscal move. The point is we won't know if we don't at least examine the facts and talk about them.

I had a similar reaction to the responses that questioned why there should be "favoritism" of one higher education sector over another. I can think of three good reasons why community colleges should be the center of a college access/economic opportunity proposal.

The first reason is related to cost and taxpayer savings as community colleges have clearly been the nation's most cost efficient higher education sector, particularly during the 1999-2009 period labeled "the lost decade" by some critics because of the explosion in tuition and costs. During that ten-year period, while per student expenditures increased by almost \$14,000 in the private research college sector, over \$4,000 in the public research college sector, and \$2,700 in the public bachelor's sector, total per student expenditures among community colleges nationwide increased by \$1. That's not a typo.

Second, we all know the unique career pathways that community colleges provide have strong appeal to the middle class, but the third and perhaps most important reason is that because of increasingly rising tuition, community colleges are the places lower income and working-class students turn. Fourteen percent of the students at the nation's 193 top-ranked or some call "elite" colleges come from the bottom half of the income bracket, while community college students in the bottom half of the income bracket outnumber more affluent students two to one.

So if some folks ask, “Why community colleges?” I would instead ask, “How could such strategies not be focused on community colleges?”

But while we play an increasingly important role in the growing challenges of higher education opportunity for low-income and working class students, it is important to remember that community colleges are everybody’s colleges. A good reminder of that was Wednesday’s op-ed in the New York Times by acclaimed actor Tom Hanks, entitled, “I Owe Everything to Community Colleges”, which I have had distributed to you. I did not know that one of America’s favorite actors was a community college alum until I read his op-ed, in which he suggests our nation should pay close attention to the call for more opportunity, like he had, through community colleges because, as he writes:

“More veterans, from Iraq and Afghanistan this time, as well as another generation of mothers, single parents and workers who have been out of the job market, need lower obstacles between now and the next chapter of their lives. High school graduates without the finances for a higher education can postpone taking on big loans and maybe luck into the class that will redefine their life’s work. Many lives will be changed.”

In conclusion, if the President’s proposal sparks a national dialogue about opportunity through community colleges, North Carolina has valuable points to contribute to that discussion. Our experience tells us that getting students in the door is only the first step. Getting them across the graduation stage with a meaningful credential and into the workplace is the ultimate goal. A commitment to success as well as access will therefore require a commitment not just to low tuition, but also to quality instructors, well-equipped labs and classrooms, and other resources that our state and national leaders will also have to weigh when considering the full equation.

And while the national leaders put a focus on Tennessee last week, I ask our state’s leaders to give some attention to Mississippi, particularly as the new General Assembly session begins. Why? Because over the decades, Mississippi has long been chided as being last in categories related to economic and educational well being. But today? Today they hold the position right in the middle among 16 Southeastern Region Education Board states in what they pay their community college instructors while North Carolina continues to languish near the bottom of that ranking. I want North Carolina to always be a state “where the weak grow strong, and the strong grow great”, and I believe the President’s proposal, the ensuing conversations and our community colleges can be part of a continued effort to help the economically weak grow strong. But successful students, successful employees, thriving employers and a growing economy require strong community colleges. It is time for North Carolina to face the fact that we cannot be the best nor offer our students the best if our faculty pay remains among the worst.

That’s a proposal we must all embrace.