Continuing Financial Strain Dims Prospects for Public 2-Year Colleges, Report Says

By Jennifer Gonzalez

As the United States tries to recover from a recession, a new report by the Education Policy Center at the University of Alabama paints a dreary picture of the aftermath: Students are taking on more debt to pay for college, and community colleges are unable to meet the expanded need to retrain workers.

And the future doesn’t look any sunnier. The report predicts cuts to state operating budgets at community colleges, public regional universities, and public flagship universities. Tuition will increase across all higher-education sectors and state-financed student aid will continue to dwindle or remain flat.

The report, "Access and Funding in Public Higher Education," is based on the results of the latest annual survey of the 51 members (Georgia has two) of the National Council of State Directors of Community Colleges, conducted from July 5 through August 24.

The report's bleak findings indicate the fiscal stress that states are under, said Stephen G. Katsinas, a professor of higher education who is director of the Alabama center and a co-author of the report.

More importantly, the financial strain threatens to undermine the nation's college-completion agenda and overall economic prospects, the report concludes. The one bright spot is that the Obama administration may find institutional allies when it comes to his call for a $450-billion American Jobs Act.

The president has proposed $5-billion to improve facilities at community colleges and tribal colleges. Almost all respondents to the survey (94 percent) had said that money for new construction and renovation was a major need in their state.

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State directors, all of whom took part, could choose whether to respond to individual survey questions. As a result, the number of responses received for different survey questions varies.

Among the survey's key findings are these:

- Threats to access are particularly acute in large states with fast-growing minority student populations.
- High unemployment has exhausted work-force-training funds in 21 states.
- More money is needed to expand high-demand programs tied to higher-wage jobs in allied health, engineering, and information technology at community colleges.

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Of particular concern to the report's researchers was the expectation of federal and state policy makers that public-access institutions will retrain the nation's work force.

In the 2009 survey, 10 respondents reported that community colleges in their states offered free tuition to unemployed workers. That just four reported doing so in the 2010 survey was evidence of the deepening fiscal strain states are experiencing, Mr. Katsinas said.

"One might have hoped funding to serve unemployed displaced workers would be expanded, not cut," he said. The question was not asked in the 2011 national survey.

Insufficient money for work-force training threatens America's economic competitiveness, the report says. Twenty-eight states, compared with 17 last year, expressed concern that continuing high employment was causing a demand for quick job training programs.

And a strong majority (42 of 51 respondents) said that more money was needed to expand expensive programs in areas such as health sciences, engineering technology, and information technology to prepare for economic competitiveness as the recession ends.