

Getting What We Pay For

State Community College Funding Strategies that Benefit Low-Income, Lower-Skilled Students



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Community colleges across the nation appear to be facing a “perfect storm” during which surging enrollments, tepid state funding, and strong accountability forces are colliding to severely threaten access to and completion of postsecondary education and credentials by lower-skilled and low-income students.¹ In the last few years, record enrollments have resulted in classes filling up faster, colleges closing courses sooner, and institutions capping enrollments.

Many community colleges have been able to escape funding cuts and actually receive small funding increases. These increases, however, have not kept up with the overall record jump in enrollment and have resulted in *net* funding decreases at most institutions. About eight million students were enrolled in for-credit classes at the nation's 1,173 community colleges in fall 2009, up from about five and a half million a decade earlier.² Approximately another five million students were enrolled in non-credit courses and programs. However, per-student funding has remained flat or even decreased slightly over the last ten years.

At the same time, attention is focused on labor market skills demands and the need to increase college completion rates, which has intensified scrutiny of community college performance and accountability. If performance measures and accountability systems do not specifically include lower-skilled and disadvantaged students, these types of students are likely to be left behind as community colleges make tough choices about whom to serve.

One approach to survive this perfect storm is to consider how states can fund community colleges differently to improve access and outcomes, further state economic goals, and ensure lower-skilled and low-income students are served effectively. State funding is a powerful tool to influence institutional priorities and practices. As the authors of a recent report from the Delta Project on Postsecondary Education Costs, Productivity, and Accountability so simply and elegantly put it: “revenues dictate functionality in higher education.”³

This policy brief describes strategies state policymakers can use to realign community college financing—including tuition policies—to improve postsecondary access and success for lower-skilled and low-income students and to achieve stronger state economic health. To provide a common understanding of the issues, the brief begins with an overview of how community colleges are currently funded. It focuses specifically on state strategies for funding community colleges since they are the type of institution many lower-income students attend. For more information on strategies for funding students,

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see the resources CLASP, as the lead technical assistance provider for the “Shifting Gears” initiative, has consolidated at <http://shifting-gears.org/>.

Overview of Community College Financing

To clearly understand promising state strategies to better align state funding of community colleges with what the students and the state needs, it is important to understand how community colleges are currently funded.

Community College Revenues and State Funding

All public higher education institutions—including two- and four-year institutions—receive revenue primarily from state and local governments, student tuition, the federal government, philanthropic donors, and auxiliary enterprises such as contract training.

The exact mix of community college revenue sources varies significantly by state. Community colleges in Arizona, California, Nevada, New Mexico, North Carolina, Wisconsin, and Wyoming receive the highest percentages of state and local support (between 60 and 63 percent). Community colleges in Iowa, New Jersey, and South Carolina receive the lowest (around 30 percent). Colorado (15 percent from state and local support) is an outlier in this dataset because it allocates most aid to colleges through student vouchers of \$2,500 per student (which is counted as net tuition) rather than allocating directly to colleges (which is counted as state and local support). On average, community colleges across the country receive 48 percent of revenues from state and local governments, 21 percent from net tuition (the amount of tuition revenue after factoring in institutional aid and tuition waivers), 14 percent from the federal government, 7 percent from state and local grants and contracts, and 9 percent from other sources (see Appendix A).⁴

In addition to state allocations and local tax revenues, many community colleges receive revenue from their non-credit training divisions. Non-credit education is a significant component of community college course offerings and funding. The American Association of Community Colleges (AACC) estimates that there are approximately five million students enrolled in non-credit courses at community colleges across the nation.⁵ Many community colleges now enroll more non-credit than credit students.⁶ In 2006, ten states ran their customized training programs (some of which were financed through state general funds) through their community and technical college systems. Revenue from Individual Training Accounts in the Workforce Investment Act system and contract training for employers also can be significant sources of revenue. The non-credit divisions in some community colleges are often *de facto* entrepreneurial cost centers that subsidize the credit side of the colleges.

Although state funding can be a significant portion of a community college’s revenue stream, funding for community colleges is a small percentage of total state expenditures. On average, states appropriated only 1.08 percent of their total expenditures to community colleges in FY2008 (see Appendix B). The state of Washington, at 2.20 percent, appropriated the highest percentage of state expenditures, and Alaska, at 0.03 percent, appropriated the lowest.⁷ The recession has taken a toll on state funding for higher education overall (see text box on page 4); however, community colleges have not been hit as hard as four-year institutions.

When analyzing government support of community colleges, it is helpful to distinguish between states based on how much revenue community colleges receive from state appropriations versus local tax appropriations. Those states in which community colleges receive a significant portion of revenue from local taxes are known as “state-aided community college” states (24 states fall in this category, according to data reported by Grapevine, a service that compiles data on state support of higher

education). Those states in which colleges receive an insignificant portion of revenue from local taxes are known as “state community college” states (21 states). Total state tax appropriations for “state community colleges” decreased just 0.3 percent from FY2008 to FY2009, and state tax appropriations for “state-aided community colleges” increased 2 percent in that same period (see Appendix C for state-by-state data).⁸ These data are based on appropriations, not actual expenditures, and varies considerably by state.

However, while states on average have held community college appropriations fairly steady, enrollments have surged, resulting in a net decrease in funding per student because institutions now must serve significantly more students with the same levels of funding. According to AACC, nationally, the number of students enrolled in credit-bearing courses at community colleges in fall 2009 represented an 11.4 percent increase from the fall of 2008 and a 16.9 percent increase from the fall of 2007.⁹

Net funding decreases have affected community colleges in most states. For example, in California, an eight percent budget cut to community colleges in the 2009-2010 academic year was equivalent to the cost of educating 200,000 students. Colleges had to trim costs by cutting courses and summer sessions, eliminating programs, and capping enrollment. Some 140,000 students have not been able to enroll.¹⁰ Texas cut community college budgets by 5 percent last year, and legislators requested budget submissions with 10 percent cuts for the next two years. Meanwhile, community college enrollments in Texas have swelled by 12 percent.¹¹

Higher education institutions and community colleges can expect less state support in the future because state budget gaps will be even larger in the next few years. The Center on Budget and Policy Priorities projects that total state shortfalls in 2011 and 2012 are likely to reach \$300 billion.¹² A survey of state community college directors in 2007 found that 59 percent of respondents saw structural deficits

in their states or systems that will continue to threaten future funding.¹³

Community College Expenditures

On the expenditure side of the ledger, community colleges’ primary expenditures are for education and related expenses, including all instructional costs, such as faculty salaries and benefits, and student services (non-instructional, student-related activities including admissions, registrar services, career counseling, financial aid administration, student organizations and intramural athletics). Education and related expenses also include the instructional share of costs for “general support, administration, and maintenance,” which includes academic support, institutional support, and operations and maintenance. In 2006, education and related expenses made up an average of 79 percent of community college expenditures. Other expenditures included research and related costs (1 percent), public service and related costs (5 percent), net scholarships and fellowships (8 percent), and auxiliary enterprises (8 percent).¹⁴

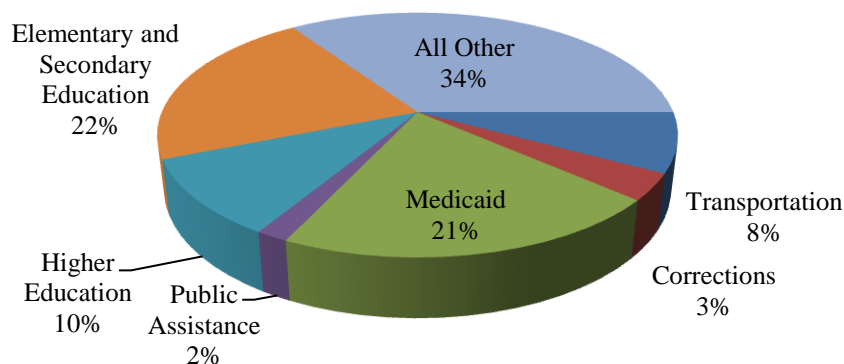
In comparison, expenditures at public, four-year research colleges and universities broke down as follows: 44 percent for education and related costs; 23 percent on research and related costs; 8 percent on public service and related costs; 3 percent on scholarships and fellowships, and 22 percent on auxiliary enterprises.¹⁵

Because such a large slice of community college operating budgets is devoted to education and related expenses, state budget cuts and decreased local tax revenues can significantly reduce the number of courses and programs that can be offered and the number of students served. Unlike public four-year colleges and universities that spend proportionately less on education and related expenses—and more on

Zooming Out: State Support for Higher Education Overall

In the overall context of a state budget, higher education spending—including for community colleges and four-year colleges and universities—is a relatively small slice, at about 10 percent. There are many other categories of spending competing for policymakers' attention, including elementary and secondary education and Medicaid. Figure I provides an aggregated look at state expenditure categories in FY2008 (using the latest data available). Elementary and secondary education made up 22 percent of all state expenditures and Medicaid made up 21 percent. Appendix D to this report provides state-by-state data on spending by function.¹⁶

Figure I: Total State Expenditures by Function, FY2008



Source: National Association of State Budget Officers (NASBO), *State Expenditure Report; Fiscal Year 2008* (Fall 2009).

In 2008 and 2009, the early years of the recession, states closed budget gaps between state revenues and expenditures by trimming many discretionary costs. Higher education was a prime target since it is the largest discretionary item in state budgets.¹⁷ State policymakers have increasingly turned to tuition-paying students and families to fund a greater share of higher education budgets. Full-time in-state tuition and required fees at public two-year institutions came in at about \$3,000 for the 2009-2010 academic year, which was 7 percent higher than the prior year. At public four-year institutions, the total for full-time, in-state tuition and required fees was about \$6,400, 9 percent higher than the year before.¹⁸ Median tuition and required fees increased 49 percent between the 2000-2001 and 2009-2010 academic years for public two- and four-year institutions. Tuition now makes up more than 37 percent of total education revenue on average at two- and four-year public institutions, compared to 25 percent in FY 1984.¹⁹

After seeing several years of small higher education funding increases, 46 states saw total state support for higher education in FY 2009 decrease an average of 3.4 percent from the previous year, according to a National Conference of State Legislatures survey in late 2009.²⁰

research and auxiliary enterprises—community colleges just do not have many other places in their budgets to make cuts.

Methods States Use to Fund Community Colleges

States fund community colleges using either formula (at least 32 states) or straight non-formula (at least 15 states) allocations.²¹ In addition to these primary funding methods, states may appropriate to colleges separate subsidies or contracts, such as for workforce training. At the most fundamental level, funding formulas are based on several “base factors,” such as the cost per student or full-time-equivalent (FTE) student,²² the average faculty salary, or student-to-faculty ratios, that are important components in the educational process. Each base factor is multiplied by the number of each corresponding unit, and the subtotals are added together. A generic formula calculation might look like this:

$$\begin{aligned} & \text{Units of base factor 1} \times \$/\text{unit of base factor 1} + \\ & \text{Units of base factor 2} \times \$/\text{units of base factor 2} + \\ & \text{Units of base factor } n \times \$/\text{units of base factor } n = \\ & \text{TOTAL}^{23} \end{aligned}$$

All states using formula funding include some estimate of the number of student units, most frequently calculated using the number of full-time-equivalent students enrolled in for-credit courses. However, funding formulas often get much more complex and can include non-credit education (valued equal to or as a proportion of the for-credit unit cost), varying levels of faculty and staff salaries and fringe benefits, building square footage, operational costs, performance, and other factors.

Although the majority of states use a formula to determine community college allocations, few have fully funded their formula allocations in recent years. In a 2007 state community college director survey, AACC found that just 41 percent of states had fully funded their formula allocations (see Appendix E).²⁴

In addition, some states have had to make mid-year cuts to higher education institutions despite the planned allocations. As a consequence, funding at most community colleges is slipping even faster relative to increasing enrollments.

The other primary method states use to allocate funds to community colleges is a straight non-formula appropriation. Typically, legislators will use a “base-plus” approach, where they look at the amount allocated in the previous year or years and determine how much to add or subtract from that amount based on the strength of the case community colleges make for increased funding, state revenues, and other competing state budget items.

Regardless of their funding approach, about half of the states make a single consolidated appropriation for all community colleges as a group in the state (24 states). Some states appropriate funds directly to individual community colleges (12 states), and others include the community college appropriation in a consolidated higher education appropriation (eight states).²⁵

With the growing significance of non-credit education, 28 states provide funding for non-credit workforce education through state general funds, typically using one of three different funding methods:

- a formula that includes student contact hours and is similar to the enrollment-based full-time equivalent student funding formula (three states fund non-credit equal to credit and eight states fund it as a proportion of credit)
- fixed amount funding (seven states)
- state general funds that colleges can use for non-credit workforce education (10 states)²⁶

This general overview of state funding of community colleges provides a foundation for understanding potential financing strategies states can use to improve access to postsecondary education and

credentials and success for lower-skilled and low-income youth and adults.

State Community College Financing Strategies

There are several strategies states can use to leverage community college financing policies as a tool to increase access and success for low-income and disadvantaged students and to increase institutional responsiveness to student and state needs. Discussed below are specific strategies relating to funding and tuition levels, and some that target funding to particular offerings that benefit disadvantaged populations.

First though, it is critical to understand that prioritizing students' needs when making decisions about state funding for community colleges will require a paradigm shift from traditional ways of thinking about higher education financing. Traditionally, higher education funding decisions have been based primarily on institutional considerations—such as what funding is needed to employ a certain number of faculty and staff, to educate a certain number of students regardless of their differing educational needs, and to maintain a certain number or square footage of buildings. States typically leave decisions about specific types of course offerings, program designs, delivery approaches, and student services up to the institutions themselves.

If, instead, the funding model were turned upside down and funding decisions were driven by the types of educational approaches and services students—especially lower-skilled and low-income students—need to access, persist, and complete postsecondary education and credentials, policymakers likely would make different decisions about funding policies. A new “student-centered” approach to funding decisions would look different in at least two ways. First, funding would more directly support promising approaches to programs and services that help

students access and succeed in postsecondary education. These approaches include learning communities in which students take courses in cohorts in order to provide peer support to each other, more tightly sequenced courses within programs, course scheduling that is more consistent and responsive to students' needs, more advisory and student support services, and other similarly-directed approaches.

Student-centered funding may even include funding based on student outcomes, such as completion of basic skills programs, successful transition into postsecondary education, student retention from semester to semester and year to year, and completion of programs and credentials. Outcomes would relate to goals for lower-skilled and disadvantaged students and would include several milestones leading to credential completion. Funding would not be based primarily on factors such as generic student enrollment, as is the custom now.

Also, policymakers would make a commitment to use public dollars to fund postsecondary education, especially for low-income students, rather than leave it up to the students to pay increasingly higher tuition prices. Student-centered funding decisions would recognize that too many low-income students are being priced-out of postsecondary education—even at community colleges—and many others are incurring dangerous levels of debt and working too many hours to pay for tuition, fees, and the indirect costs of college.

Guided by a student-centered funding approach, states can pursue specific community college financing strategies to improve access and success for lower-skilled, low-income students:

- Limit or cap tuition growth;
- Base funding on outcomes achieved by lower-skilled students rather than on inputs
- Support funding for programs that meet state economic needs and provide opportunities for low-income students;

- Fund non-credit workforce education that promotes career advancement to well-paying, in-demand jobs;
- Fund increased numbers of intensive educational programs, which are often more effective for lower-skilled students; and
- Fund student support services.

Limit or Cap Tuition Growth

Lack of affordability in postsecondary education is a significant barrier for low-income students, and maintaining affordability by limiting or capping tuition growth is a key strategy to help them access and complete postsecondary education. However, if a state limits or caps tuition growth or asks its colleges to do so, the state needs to provide adequate funding to help cover revenue forgone by the institutions. Given the competing expenditures in state budgets and the fact that general budgetary pressures are now exacerbated by the recession, maintaining or increasing state funding for community colleges can be a challenge. However, many states were able to do so in FY 2009, a year in which many states either enacted small cuts in community college funding or even provided small increases (see prior section on community college revenues and state funding). Additionally, stable state funding for higher education is critical to maintaining political support for imposing caps on tuition increases.

For example, in 2007, Ohio policymakers agreed to increase funding for the state's public colleges in exchange for a tuition freeze. Unfortunately, this arrangement ended in the summer of 2009, when legislators lifted the freeze in order to use the funding that had been slated for higher education to close a budget hole elsewhere. However, they limited public colleges to 3.5 percent tuition increases for both the 2009-1010 and 2010-2011 school years.

In 2009, the Texas Senate voted to limit tuition growth in response to data showing an 86 percent increase in tuition and fees occurring in the six years

since the state deregulated tuition, while state investment in higher education fell. The legislation explicitly linked adequate state funding and college costs by tying a college's flexibility to raise tuition to the amount lawmakers appropriate for higher education. However, the Texas House of Representatives did not follow suit; it passed a weaker "concurrent resolution," which urged each Board of Regents to limit annual tuition increases to 3.95 percent or \$280.

Oklahoma froze tuition for the 2009-2010 school year but allowed tuition increases for the current year as long as tuition remained below the average among comparable institutions in other states. To date, Oklahoma's public colleges and universities continue to be well within those limits.

In October 2010, the Rhode Island Board of Governors for Higher Education promised not to increase tuition if the state approves a funding increase to higher education of \$31.1 million (which is nearly 22 percent more than the \$141.8 million in the current budget). This request comes on the heels of significant tuition increases since the 2007-08 school year, e.g., tuition rates have jumped by approximately 33 percent at Rhode Island's three public institutions of higher education.²⁷

Base Funding on Outcomes Achieved by Lower-Skilled Students Rather Than on Inputs

To achieve better outcomes for students, several states are pursuing ambitious new ways of funding community college programs. Joe May, President of the Louisiana Community and Technical College System, puts it this way: "Solving the problems means changing the rules . . . every state is getting exactly the results its rules are designed to produce."²⁸ Louisiana and Ohio have decided to phase in new formulas that will base most future state postsecondary funding on performance. In July 2010, the Louisiana Board of Regents adopted a new

college funding formula that bases 25 percent of state funding to schools on their graduation rates, skills training for high-need job areas, and other designated benchmarks rather than on student enrollment alone. Louisiana Governor Bobby Jindal used his line-item veto to remove the breakdowns within the state's \$26 billion higher education budget, which gave the Board of Regents the ability to distribute state funds to the university systems and campuses based on the new formula.²⁹ Also, in the summer of 2010, Louisiana passed the LA GRAD Act (Louisiana Granting Resources and Autonomy for Diplomas Act) which grants colleges some tuition and operational flexibility in exchange for meeting performance targets agreed to in an optional six-year performance agreement with the Board of Regents.³⁰

Under Ohio's new funding formulas, each of the three higher education sectors is funded in slightly different ways. University regional campus allocations are based on course completions, using the statewide average cost of individual programs. Rates are weighted by student risk factors. University main campuses are funded through a combination of four funding streams: course completions (as above), degree completions weighted by statewide average, a medical set-aside for institutions with medical schools, and a doctoral set-aside. Funds for the medical and doctoral set-asides are allocated on the basis of success or performance factors. Ohio's community college funding is based heavily on enrollment, but beginning in FY 2011 a small but growing proportion of subsidies will be based on "success points."³¹ Ohio's "success points" are similar to the Columbia University Community College Research Center's concept of "momentum points," which are measurable educational attainments, such as completing a college-level math course, that are empirically correlated with the completion of a milestone (a measurable educational achievement).³²

While performance funding for postsecondary education is not a new idea, its effectiveness has been greatly limited by fluctuations in higher education

funding, lack of institutional support, shifting political leadership, and the absence of a broad coalition for reform.³³ Given the current fiscal crisis, it remains to be seen how successful these new efforts will be. Comprehensive efforts, such as Washington's Student Achievement Initiative, may be more sustainable. The state of Washington's Student Achievement Initiative (SAI) is an especially promising state example of using data to focus community colleges on outcomes that matter for long-term student success. SAI provides financial rewards to each college according to how many more students it helps achieve certain milestones associated with reaching the "tipping point" of about one year of credits and an occupational credential, which research shows is the minimum amount of education needed for students to significantly increase their earnings.³⁴ These milestones include increases in basic skills, completion of a remediation course, and earning 15, and then 30, college-level credits. The SAI especially rewards colleges that successfully help students who enter college needing help with English and basic skills.

Support Funding for Programs That Meet State Economic Needs and Provide Opportunities for Low-income Students

As states seek ways to grow their economies and recover from the recession, it will be increasingly important for policymakers to draw on every asset available, including community colleges and their occupational programs, especially those relevant to high demand occupations. Economists project that a significant percentage of future jobs will be "middle skill jobs," that will require more than a high school diploma but less than a four-year degree.³⁵ Sub-baccalaureate credentials are a good option for lower-skilled, low-income adults and youth because they can be completed faster than a four-year program (which often stretches to five or six years even for well-prepared full-time students). Depending on the field of study, some sub-baccalaureate credentials carry more earning power than some four-year

degrees. However, it is critical that students are not steered into meaningless credentials and dead-end jobs.

State community college funding strategies can incentivize colleges to create or expand particular types of occupational programs that meet state economic needs and provide good opportunities for low-income students to earn sub-baccalaureate credentials and enter occupations with career advancement potential. For example, since 1974, Pennsylvania has provided additional state support to community colleges for students enrolled in approved occupational-technical programs.³⁶ In 2005, the state revised this funding stream to establish an Economic Development Stipend. This stipend is distributed to all community colleges based on the number of full-time-equivalent students enrolled in for-credit programs and non-credit courses in occupations identified as “high-priority” for the Commonwealth and/or the region. The formula gives the most weight and funding to programs in this order:

1. For-credit, high-priority occupation programs with high instructional costs;
2. Lower-cost, for-credit, high-priority occupation programs; and
3. Non-credit workforce development courses that provide valuable training for high-priority occupations, but do not provide degree credit.

Other states, including Illinois, Ohio, and Virginia, have similar funding mechanisms for community colleges offering high-cost, high-priority occupational programs.³⁷

Fund Non-Credit Workforce Education That Promotes Career Advancement to Well-Paying, In-Demand Jobs

Non-credit workforce education can be a vital stepping stone to help lower-skilled, low-income students transition into occupational and

postsecondary education. Non-credit workforce education enrollments have grown in recent decades as states, community colleges, and students try to better respond to economic opportunities and regional skill needs through more targeted and shorter-term training. Some states are adopting funding strategies that promote non-credit education specifically for career and academic advancement.

For example, California has a two-tiered system for funding non-credit education. In the first tier, non-credit courses that advance career development and college preparation, such as short-term vocational coursework and English-as-a-second-language classes, are funded at approximately \$3,250 per FTE student.³⁸ This rate is 71 percent of the for-credit FTE rate, and represents an increase from 53 percent of the for-credit rate just a few years ago.³⁹

In the second tier, regular non-credit courses such as home economics and fitness classes for older adults are funded at about \$2,750 per FTE student, \$500 less than the first tier non-credit courses. With these funding policy changes, policymakers in California have made an explicit link between non-credit workforce education and preparing a skilled labor force as well as connecting students to further postsecondary education.

Fund Increased Numbers of Intensive Educational Programs, Which Are Often More Effective for Lower-Skilled Students

Lower-skilled students face a longer journey to postsecondary credentials than traditional students because they typically require basic skills and/or English language development courses before they enter postsecondary programs. However, these lower-skilled students can least afford the drawn-out sequential programming that most institutions offer. They would benefit from emerging programs that integrate basic skills/English language education with occupational training, which accelerate timetables for credential completion.

Some states are thinking outside the box of traditional community college funding methods and programming and are providing enhanced funding for intensive programs designed specifically for lower-skilled adult learners. Several years ago, the state of Washington invested substantial funds in designing and piloting the Integrated Basic Education and Skills Training (I-BEST) program. In I-BEST, adult education and occupational training are co-taught by teams of faculty from each education sector. Courses carry college credit and are aligned in career pathways that end in recognized credentials. The state reimburses colleges at a rate of 1.75 FTE for each student enrolled in the program. The enhanced funding recognizes the higher costs associated with the program. In this way, the costs of innovation—in this case, team teaching, learning communities, extra student support and contextualization—are embedded into the state funding formula.

Fund Student Support Services

Policymakers in a handful of states have recognized the significant challenges that lower-skilled and low-income students often face to accessing and succeeding in postsecondary education, including high program costs, the need to support themselves (and sometimes their families) while in school, being academically underprepared for college-level work, and, often, having little understanding of meaningful career and educational opportunities. These students typically need more supportive services than traditional students; however, few colleges have adequate resources to provide the scope and depth of services students really need to stay in school and complete programs. In response, policymakers have adopted state funding strategies to provide resources that help students address and overcome these challenges.

Two types of state funding strategies have emerged: funding student support service programs directly, as in California, or enhancing state student financial aid programs with support service funding, as the state of

Washington has done. California's Extended Opportunity Program and Services (EOPS) program funds postsecondary institutions directly to provide low-income and educationally disadvantaged students with academic and personal counseling, tutoring, grants for textbooks, and other supportive services.⁴⁰ The Cooperative Agencies Resources for Education (CARE) program supplements EOPS and provides parents on public assistance with child care, transportation, and other services.⁴¹ Unfortunately, the number of students served in these programs has been slashed due to the budget crisis in California. The California Community College Chancellor's Office estimates that there will be a 43 percent decrease in the number of students served in these programs between academic years 2008-09 and 2010-11.⁴²

The state of Washington has invested \$11.5 million per year in its Opportunity Grants student aid program to provide aid to low-income students participating in postsecondary education in high-wage, high-demand career pathways and to provide colleges with resources for student support services. Colleges receive \$1,500 for each Opportunity Grant student, and the funds can be used to provide a single point-of-contact counselor or college navigator for the student, one-on-one tutoring, career advising, college success classes, emergency child care, and emergency transportation funds. The program is showing results: researchers at the state community college board found that Opportunity Grant recipients had higher retention and completion rates (81 percent) compared to students in a comparison group of federal Pell grant recipients (73 percent) and other low-income students (54 percent) enrolled in the same high-demand programs.⁴³

Conclusion

It can be hard to make changes in difficult economic times, but in reality these are precisely the times during which bold reforms often are born. As they consider state funding for community colleges and

higher education as a whole, state leaders have the opportunity to go beyond budget negotiations over who gets cut and by how much. They can reconsider what students and states need from their higher educational institutions and how to realign state funding to pay for and incentivize institutions to meet those needs. Many states have taken small steps in this direction, as evidenced by the examples in the strategies outlined in this policy brief. Illinois and Washington have begun to tackle the issues head-on, recently establishing state taskforces to re-think state higher education funding. Community colleges and all public postsecondary institutions can be important assets that will help the nation and each state regain economic strength and competitiveness. However, as funding dictates function, state funding for these institutions must provide the direction and incentives toward this end.

Appendix A:

State-by-State Breakdown of Community College Revenue Sources (2008)

State	State and Local Government	Net Student Tuition+	Federal Government	State and Local Grants and Contracts	Other Sources	Total
Alabama	47.85%	18.89%	22.85%	3.52%	6.89%	100%
Alaska	57.35%	4.48%	15.81%	11.99%	10.37%	100%
Arizona	62.85%	19.49%	10.81%	2.81%	4.04%	100%
Arkansas	43.65%	18.80%	24.69%	6.35%	6.52%	100%
California	60.01%	8.37%	11.34%	10.48%	9.80%	100%
Colorado*	15.25%	46.66%	13.86%	9.70%	14.53%	100%
Connecticut	52.22%	25.81%	9.55%	4.10%	8.32%	100%
Delaware	48.97%	29.37%	8.63%	11.36%	1.66%	100%
Florida	44.36%	24.11%	16.83%	6.81%	7.88%	100%
Georgia	45.79%	22.76%	17.47%	1.68%	12.30%	100%
Hawaii**	46.47%	15.46%	13.49%	15.19%	9.38%	100%
Idaho	35.75%	20.87%	19.81%	6.87%	16.70%	100%
Illinois	44.77%	21.31%	12.87%	10.35%	10.70%	100%
Indiana	34.34%	29.51%	16.89%	7.24%	12.01%	100%
Iowa	32.45%	24.12%	17.55%	6.13%	19.76%	100%
Kansas	55.70%	17.28%	11.19%	2.19%	13.63%	100%
Kentucky	41.48%	16.56%	23.13%	14.02%	4.81%	100%
Louisiana	39.49%	24.04%	22.66%	7.34%	6.47%	100%
Maine	40.55%	26.87%	15.63%	6.40%	10.56%	100%
Maryland	49.11%	26.92%	9.62%	2.71%	11.63%	100%
Massachusetts	43.30%	31.01%	12.31%	7.36%	6.02%	100%
Michigan	48.45%	26.12%	13.59%	2.55%	9.29%	100%
Minnesota**	38.55%	39.82%	12.36%	4.73%	4.53%	100%
Mississippi	37.77%	14.38%	24.43%	9.35%	14.07%	100%
Missouri	39.26%	24.84%	16.78%	6.50%	12.62%	100%
Montana	40.63%	24.55%	16.95%	4.55%	13.32%	100%
Nebraska	57.89%	19.65%	11.50%	1.46%	9.49%	100%
Nevada	60.16%	24.71%	7.13%	3.56%	4.44%	100%
New Hampshire	33.27%	48.80%	8.82%	1.44%	7.66%	100%
New Jersey	31.86%	38.76%	14.55%	6.91%	7.91%	100%
New Mexico	60.22%	9.38%	15.21%	6.68%	8.51%	100%
New York	43.36%	29.37%	13.05%	8.96%	5.25%	100%

State	State and Local Government	Net Student Tuition+	Federal Government	State and Local Grants and Contracts	Other Sources	Total
North Carolina	61.61%	12.26%	13.96%	3.69%	8.48%	100%
North Dakota	32.81%	29.79%	11.28%	2.31%	23.82%	100%
Ohio	38.16%	31.64%	14.33%	5.14%	10.73%	100%
Oklahoma	43.95%	19.49%	16.54%	4.30%	15.73%	100%
Oregon	46.90%	20.48%	15.30%	5.96%	11.36%	100%
Pennsylvania	36.82%	36.29%	13.60%	4.22%	9.07%	100%
Rhode Island	42.80%	32.67%	11.71%	2.93%	9.90%	100%
South Carolina	29.14%	33.62%	18.09%	10.99%	8.16%	100%
South Dakota**	20.19%	39.11%	14.93%	14.64%	11.13%	100%
Tennessee	41.33%	30.50%	17.58%	6.57%	4.03%	100%
Texas	52.32%	19.51%	16.84%	3.08%	8.24%	100%
Utah	50.08%	22.88%	10.23%	3.67%	13.14%	100%
Vermont**	16.14%	60.19%	22.01%	0.51%	1.15%	100%
Virginia	45.68%	33.47%	14.02%	1.62%	5.21%	100%
Washington	41.38%	19.95%	9.21%	18.28%	11.17%	100%
West Virginia**	33.26%	22.83%	19.17%	9.45%	15.29%	100%
Wisconsin	60.99%	15.52%	10.83%	4.73%	7.94%	100%
Wyoming	61.28%	10.02%	7.93%	8.87%	11.90%	100%
TOTAL	48.29%	21.39%	14.08%	7.00%	9.24%	100%

Note: States in gray have “state community colleges”; states in white have “state-aided” community colleges, except as noted. Grapevine, an annual compilation of data on state support for higher education, makes a distinction between “state-aided community colleges,” at which local tax appropriations constitute a significant portion of institutional revenue, and “state community colleges,” which receive little or no local tax appropriations. For the purposes of this report, “state-aided” community colleges are those located in states in which local tax appropriations account for at least 10 percent of total government funding for all community colleges in the state.

+ “Net tuition” is the amount of tuition revenue after accounting for institutional aid and waivers.

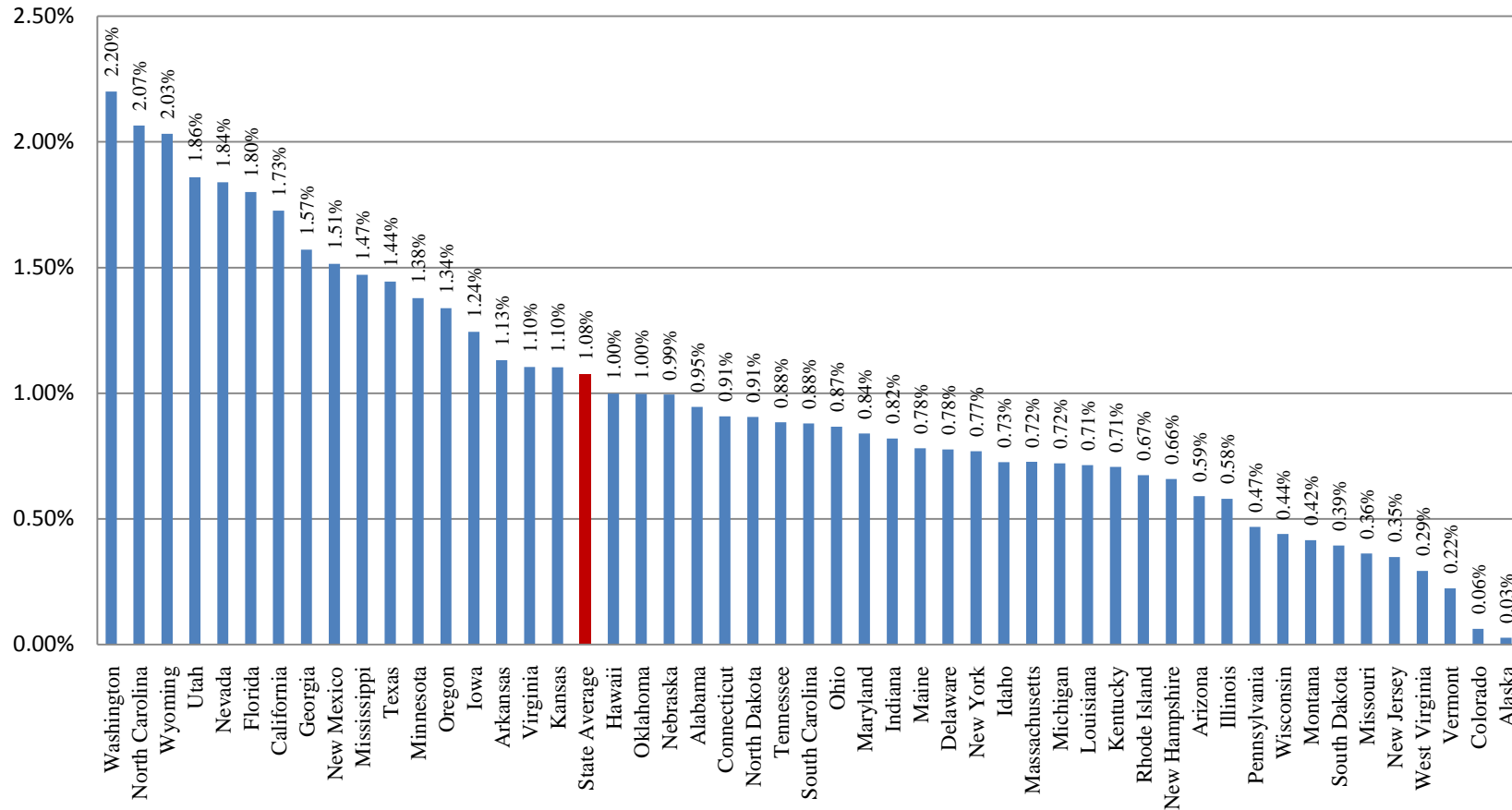
* Colorado is the outlier in this dataset because the state provides most college funding using student vouchers of \$2,500 per student (included in net student tuition) rather than through allocations to colleges (which would be counted under state and local government).

** For more information on these states, see Appendix C for community college state tax appropriation data provided by “Grapevine,” an organization that compiles information on state support of higher education.

Source: Author's calculations using data from the Integrated Postsecondary Education Data System (IPEDS) of the National Center for Education Statistics at the U.S. Department of Education. The data were provided by the National Center for Higher Education Management Systems (NCHEMS) in August 2010.

Appendix B:

State Appropriations to Community Colleges as a Percentage of Total State Expenditures (FY 2008)



Note: State expenditures are from all revenue sources, including state general funds (primarily state taxes), federal funds to states, restricted state funds (e.g., gas taxes dedicated to highway funds), and bonds.

Source: Author’s calculations using state community college appropriations data from the U.S. Department of Education’s Integrated Postsecondary Education Data System (IPEDS) Finance Survey 2007-2008. The data were provided by National Center for Higher Education Management Systems (NCHEMS) in August 2010. Total state expenditure data is from the National Association of State Budget Officers (NASBO) FY 2008 State Expenditure Report.

Appendix C:
State Tax Appropriations to Community Colleges (Fiscal Years 2007-2009)

State	Appropriations to "State Community Colleges" (in thousand \$)			% change from FY2008 to FY2009	Appropriations to "State-Aided Community Colleges" (in thousand \$)			% change from FY2008 to FY2009
	FY2007	FY2008	FY2009		FY2007	FY2008	FY2009	
Alabama	355,831	378,218	360,820	-4.6%				
Alaska*	2,690	2,831	2,970	4.9%				
Arizona					142,241	146,691	147,180	0.3%
Arkansas	92,530	102,593	100,829	-1.7%				
California					4,432,637	4,452,187	4,688,638	5.3%
Colorado**	121,999	132,308	143,818	8.7%	13,668	14,823	15,890	7.2%
Connecticut	145,379	161,778	148,000	-8.5%				
Delaware	65,438	68,178	67,985	-0.3%				
Florida	1,040,290	1,047,355	963,026	-8.1%				
Georgia***	460,444	521,527	550,125	5.5%				
Idaho					22,067	23,588	29,666	25.8%
Illinois					379,907	410,652	429,430	4.6%
Indiana****	180,563	190,739	201,487	5.6%				
Iowa					159,579	173,962	184,562	6.1%
Kansas					137,775	143,284	147,848	3.2%
Kentucky	212,927	221,844	219,318	-1.1%				
Louisiana	164,602	201,197	208,701	3.7%				
Maine	46,069	51,449	51,501	0.1%				
Maryland*****					240,908	281,399	295,714	5.1%
Massachusetts	235,150	240,716	232,142	-3.6%				
Michigan					289,879	293,169	299,361	2.1%
Mississippi					197,688	238,326	253,553	6.4%
Missouri					128,577	134,671	140,924	4.6%

Getting What We Pay For: State Community College Funding Strategies that Benefit Low-Income, Lower-Skilled Students

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State	Appropriations to "state community colleges" (in thousand \$)			% change from FY2008 to FY2009	Appropriations to "state-aided community colleges" (in thousand \$)			% change from FY2008 to FY2009
	FY2007	FY2008	FY2009		FY2007	FY2008	FY2009	
Montana					7,407	9,160	9,870	7.8%
Nebraska					68,566	84,066	87,266	3.8%
Nevada	166,612	169,083	170,734	1.0%				
New Hampshire	27,242	32,615	34,006	4.3%				
New Jersey					155,806	163,437	149,093	-8.8%
New Mexico					115,951	120,436	123,903	2.9%
New York					583,206	614,786	635,122	3.3%
North Carolina					935,670	980,870	1,016,659	3.6%
North Dakota	27,507	31,276	31,276	0.0%				
Ohio*****					309,914	323,547	347,488	7.4%
Oklahoma*****					143,683	150,839	151,295	0.3%
Oregon					215,737	253,988	254,079	0.0%
Pennsylvania					223,579	232,109	237,990	2.5%
Rhode Island	47,114	47,820	47,680	-0.3%				
South Carolina					176,774	189,957	150,850	-20.6%
Tennessee	216,790	230,449	218,004	-5.4%				
Texas					1,023,225	1,202,474	1,047,495	-12.9%
Utah	94,631	107,608	111,766	3.9%				
Virginia	389,027	384,645	385,504	0.2%				
Washington	627,635	677,890	739,034	9.0%				
Wisconsin					141,067	142,153	143,153	0.7%
Wyoming					91,816	104,783	116,715	11.4%
Total	4,720,470	5,002,119	4,988,726	-0.3%	10,337,327	10,885,357	11,103,744	2.0%

Note: Reports from the “Grapevine” data compilation showing state support for higher education distinguish between "state-aided community colleges," at which local tax appropriations constitute a significant portion of institutional revenue, and "state community colleges," which receive little or no local tax appropriations. For the purposes of this report, "state-aided" community colleges are those located in states in which local tax appropriations account for at least 10 percent of total government funding for all community colleges in the state. Revenue data from the Integrated Postsecondary Education Data System (IPEDS) for fiscal year 2005 were used to make this determination. (In addition, community college data for five states are not reported in these tables. Minnesota and Vermont fold community college appropriations into the total appropriations reported for state college and university systems. South Dakota has no community colleges per se. Community college data reported by Hawaii are not net of student fees; thus they are not included in this analysis. West Virginia data for community colleges are also excluded because they are not net of lottery funds.)

- * Prince William Sound Community College only.
- ** The reports submitted by Colorado to “Grapevine“ make a distinction between "state community colleges," which receive no local tax allocations, and "local community colleges," which do receive local tax allocations. Thus, Colorado appears in the table under both "state community colleges" and "state-aided community colleges."
- *** Includes institutions within the Technical College System of Georgia that are accredited to award an associate's degree.
- **** Includes Vincennes University and Ivy Tech Community College. Starting in FY2007, funding for the Valparaiso nursing program was included in the appropriations data for Vincennes University.
- *****These are states in which some colleges receive no local tax support, although local tax appropriations account for 10 percent or more of total government support for all community colleges in the state. Starting in FY2008, Ohio reported separate figures for two-year institutions with local tax levy support and those without local support. See the “Grapevine” report (at the website noted below) for Ohio.

Source: James C. Palmer, ed., “Grapevine”: An Annual Compilation of Data on State Fiscal Support for Higher Education, <http://www.grapevine.ilstu.edu/index.shtml>.

Appendix D:

State Spending By Function as a Percent of Total State Expenditures (FY2008)

State	Elementary & Secondary Education	Higher Education	Public Assistance	Medicaid	Corrections	Transportation	All Other	Total
Alabama	13.7%	10.5%	0.1%	11.0%	1.4%	3.1%	60.2%	100%
Alaska	10.8%	7.0%	0.9%	8.4%	2.4%	12.1%	58.5%	100%
Arizona	27.5%	10.9%	0.5%	22.8%	4.2%	7.0%	27.2%	100%
Arkansas	18.7%	16.3%	2.2%	20.3%	2.3%	5.8%	34.5%	100%
California	24.2%	8.4%	5.1%	19.7%	5.0%	5.8%	31.7%	100%
Colorado	31.0%	13.9%	0.1%	11.1%	3.0%	6.6%	34.2%	100%
Connecticut	15.2%	10.7%	1.9%	17.4%	2.9%	6.4%	45.5%	100%
Delaware	23.1%	4.3%	0.3%	11.5%	3.1%	10.0%	47.7%	100%
Florida	20.2%	9.9%	0.2%	23.2%	4.8%	10.7%	31.0%	100%
Georgia	27.7%	7.9%	1.5%	19.6%	3.3%	5.9%	34.2%	100%
Hawaii	21.9%	10.1%	0.8%	11.2%	2.1%	10.0%	44.0%	100%
Idaho	28.6%	8.3%	0.3%	21.9%	4.1%	10.4%	26.4%	100%
Illinois	21.8%	6.0%	0.3%	29.5%	3.0%	8.3%	31.2%	100%
Indiana	23.5%	7.9%	1.4%	21.7%	3.0%	10.3%	32.2%	100%
Iowa	18.1%	25.2%	0.8%	17.9%	2.6%	6.4%	29.0%	100%
Kansas	28.2%	17.5%	0.4%	18.7%	3.1%	8.8%	23.3%	100%
Kentucky	20.6%	24.1%	0.7%	21.3%	2.5%	10.8%	20.0%	100%
Louisiana	15.2%	9.6%	0.5%	19.3%	2.7%	5.2%	47.5%	100%
Maine	18.8%	3.7%	2.4%	28.2%	2.1%	7.5%	37.4%	100%
Maryland	20.9%	15.0%	1.9%	18.9%	4.4%	11.8%	27.3%	100%
Massachusetts	13.9%	9.7%	3.1%	18.7%	2.8%	5.6%	46.2%	100%
Michigan	29.5%	5.5%	1.1%	22.2%	5.3%	8.0%	28.4%	100%
Minnesota	26.4%	10.7%	1.3%	22.6%	1.8%	8.9%	28.2%	100%
Mississippi	20.3%	16.8%	0.2%	22.4%	2.2%	8.7%	29.4%	100%
Missouri	24.2%	5.6%	0.8%	34.5%	2.9%	10.4%	21.6%	100%
Montana	19.8%	11.8%	0.9%	16.8%	3.8%	13.4%	33.5%	100%
Nebraska	14.8%	22.0%	0.7%	17.7%	2.5%	7.8%	34.4%	100%
Nevada	16.6%	11.0%	0.6%	12.3%	4.2%	11.4%	44.0%	100%
New Hampshire	22.2%	5.0%	1.6%	26.0%	2.2%	11.3%	31.8%	100%
New Jersey	24.2%	7.3%	0.8%	19.5%	3.4%	9.1%	35.6%	100%
New Mexico	19.8%	18.3%	0.8%	20.8%	2.0%	7.0%	31.4%	100%
New York	20.9%	7.1%	3.1%	26.7%	2.9%	5.6%	33.6%	100%
North Carolina	22.4%	11.8%	0.6%	26.4%	3.3%	9.1%	26.3%	100%
North Dakota	14.5%	23.5%	0.3%	15.1%	2.0%	12.0%	32.6%	100%
Ohio	19.2%	5.3%	2.3%	23.2%	3.6%	7.4%	39.0%	100%
Oklahoma	16.0%	12.2%	1.2%	18.6%	2.8%	5.9%	43.4%	100%
Oregon	17.1%	12.0%	0.7%	13.7%	3.7%	6.5%	46.3%	100%
Pennsylvania	19.4%	4.0%	2.0%	30.3%	3.4%	10.1%	30.8%	100%

State	Elementary & Secondary Education	Higher Education	Public Assistance	Medicaid	Corrections	Transportation	All Other	Total
Rhode Island	15.5%	11.8%	2.0%	25.9%	2.8%	4.7%	37.3%	100%
South Carolina	18.8%	20.6%	0.4%	21.1%	3.0%	7.5%	28.6%	100%
South Dakota	16.7%	18.4%	0.9%	22.3%	3.2%	12.7%	25.8%	100%
Tennessee	17.7%	14.3%	0.4%	28.5%	2.6%	6.6%	29.8%	100%
Texas	28.8%	12.1%	0.1%	16.4%	4.0%	9.7%	28.8%	100%
Utah	23.2%	10.9%	0.7%	13.6%	2.9%	22.1%	26.6%	100%
Vermont	26.4%	1.8%	1.7%	18.9%	2.5%	7.2%	41.5%	100%
Virginia	19.3%	12.9%	0.4%	15.1%	4.2%	12.1%	36.0%	100%
Washington	23.1%	13.7%	1.3%	19.6%	3.7%	8.5%	30.2%	100%
West Virginia	11.3%	9.8%	0.4%	12.1%	1.1%	5.7%	59.5%	100%
Wisconsin	19.1%	13.1%	0.3%	13.5%	3.4%	7.0%	43.6%	100%
Wyoming	17.7%	1.0%	0.0%	10.2%	0.0%	11.6%	59.5%	100%
State Average	21.6%	10.2%	1.7%	20.7%	3.5%	7.9%	34.6%	100%

Source: National Association of State Budget Officers (NASBO) *State Expenditure Report; Fiscal Year 2008* (Fall 2009).

Appendix E:

State Use of Formula Funding for Community Colleges (2007)

Totals:			
Uses formula/state fully-funds (●):		13	(41% of formula-funded)
Uses formula/state partially funds (⊙):		20	(63% of formula-funded*)
No formula used (X):		15	
State	Formula	State	Formula
AK	X	MT	●
AL	X	NC	●
AR	⊙	ND	⊙
AZ	●	NE	●
CA	●	NH	X
CO	X	NJ	⊙
CT	X	NM	●
DE**	--	NV	⊙
FL	●	NY	⊙
GA/UGA***	●	OH	⊙
GA/DTAE***	⊙	OK	⊙
HI	X	OR	⊙
IA**	--	PA	●
ID	X	RI	X
IL	⊙	SC	⊙
IN	⊙	SD**	--
KS	X	TN	⊙
KY	⊙	TX	⊙
LA	●	UT	●
MA	⊙	VA	⊙
MD	●	VT	⊙
ME	X	WA	X
MI	X	WI	X
MN	X	WV	⊙
MO	X	WY	●
MS	⊙		

Note:

* 32 states indicated use of formula funding. Georgia reported in both categories, which is why the percentages add to greater than 100%.

** State did not respond to the survey.

***Different responses came from two sources: the University System of Georgia (UGA), which coordinates transfer-oriented community colleges and the Georgia Department of Technical and Adult Education (DTAE), which coordinates technical colleges.

Source: American Association of Community Colleges, *Funding Issues in U.S. Community Colleges* (2008).

¹ Thank you to Michael Hansen, President of the Michigan Community College Association, for permission to use his compelling “perfect storm” metaphor.

² Megan L. Thomas, “Community colleges fighting to cope: States cutting school budgets even as enrollment soars,” *MSNBC.com*, August 10, 2010, http://www.msnbc.msn.com/id/38598344/ns/business-personal_finance/, accessed September 7, 2010.

³ Donna M. Desrochers et al., *Trends in College Spending 1998-2008: Where Does the Money Come From? Where Does It Go? What Does It Buy?*, The Delta Project on Postsecondary Education Costs, Productivity, and Accountability, 2010.

⁴ Author’s calculations using data from the Integrated Postsecondary Education Data Systems (IPEDS) of the National Center for Education Statistics at the U.S. Department of Education; data provided by the National Center for Higher Education Management Systems (NCHEMS) in August 2010.

⁵ American Association of Community Colleges, “Fast Facts” website, <http://www.aacc.nche.edu/AboutCC/Pages/fastfacts.aspx>, accessed October 6, 2010.

⁶ T. R. Bailey et al., *The characteristics of occupational sub-baccalaureate students entering the new millennium*, Teachers College, Community College Research Center, Columbia University, 2003.

⁷ Author’s calculations using state community college appropriations data from the IPEDS Finance Survey 2007-2008; data provided by NCHEMS in August 2010. Total state expenditure data is from the National Association of State Budget Officers (NASBO) FY2008 State Expenditure report.

⁸ James C. Palmer, ed., “Grapevine,” a website report of survey results on state fiscal support of higher education, produced by Illinois State University’s Center for the Study of Education Policy in cooperation with the State Higher Education Executive Officers, <http://www.grapevine.ilstu.edu/index.shtml>. Grapevine reports make a distinction between “state-aided community colleges,” at which local tax appropriations constitute a significant portion of institutional revenue, and “state community colleges,” which receive little or no local tax appropriations. For the purposes of this report, “state-aided” community colleges are those located in states in which local tax appropriations account for at least 10 percent of total government funding for all community colleges in the state.

⁹ American Association of Community Colleges, *Community College Enrollment Surge: An Analysis of Estimated Fall 2009 Headcount Enrollments at Community Colleges*, AACC Policy Brief 2009-01PBL, December 2009.

¹⁰ Ali Eaves, “At community colleges, great expectations don’t come with dollars,” *Stateline.org*, June 15, 2010, <http://www.stateline.org/live/details/story?contentId=491664>, accessed September 26, 2010.

¹¹ Ibid.

¹² Nicholas Johnson, Phil Oliff and Erica Williams, “States Continue to Feel Recession’s Impact,” Center on Budget and Policy Priorities, Updated October 7, 2010, <http://www.cbpp.org/cms/?fa=view&id=711>, accessed November 1, 2010.

¹³ Stephen G. Katsinas et al., *Funding Issues in U.S. Community Colleges: Findings from a 2007 Survey of the National State Directors of Community Colleges*, American Association of Community Colleges, 2008.

¹⁴ Jane V. Wellman et al., *Trends in College Spending: Where Does the Money Come From? Where Does It Go?*, Delta Project on Postsecondary Education Costs, Productivity, and Accountability, 2009.

¹⁵ Ibid.

¹⁶ “Total state expenditures” include funds from all sources in the state: (1) state general funds, the predominant fund for financing a state’s operations for which revenues are received from broad-based state taxes; (2) federal funds to states, using funds received directly from the federal government; (3) other state funds, such as expenditures from revenue sources that are restricted by law for particular governmental functions or activities, e.g., a gasoline tax dedicated to a highway trust fund; and (4) bonds, chiefly expenditures from the sale of bonds, generally for capital projects.

¹⁷ States do not have a mandate to provide higher education as they do for primary and secondary education. Also, by accepting federal Medicaid funds, states are obligated to provide matching funds.

¹⁸ L.G. Knapp, J.E. Kelly-Reid and S.A. Ginder, *Postsecondary Institutions and Price of Attendance in the United States: Fall 2009, Degrees and Other Awards Conferred: 2008-2009, and 12-month Enrollment: 2008-2009* (NCES 2010-161), National Center for Education Statistics, U.S. Department of Education, August 2010.

¹⁹ State Higher Education Executive Officers, *State Higher Education Finance FY2009*, 2010.

²⁰ National Conference of State Legislatures (Fiscal Affairs Program), *State Funding for Higher Education in FY2009 and FY2010*, 2010.

²¹ Stephen G. Katsinas et al., *Funding Issues in U.S. Community Colleges: Findings from a 2007 Survey of the National State Directors of Community Colleges*, American Association of Community Colleges, 2008.

²² The full-time equivalent (FTE) student number is calculated by dividing the total number of hours in which all students are enrolled by the number of hours in a full-time student course load. One full-time student equals one FTE, two half-time students add up to one FTE, four quarter-time students add up to one FTE, and so on. While many states use the FTE calculation in their funding formulas, some use the actual number of students, regardless of their enrollment intensity.

²³ See Dennis Jones, “Financing in Sync: Aligning Fiscal Policy with State Objectives,” in *Policies in Sync: Appropriations, Tuition, and Financial Aid for Higher Education*, Western Interstate Commission for Higher Education, 2003.

²⁴ Stephen G. Katsinas et al., *Funding Issues in U.S. Community Colleges: Findings from a 2007 Survey of the National State Directors of Community Colleges*, American Association of Community Colleges, 2008.

²⁵ Katherine Boswell, *State Funding for Community Colleges: A 50-State Survey*, Education Commission of the States, 2000. This information is the latest available consolidated data.

²⁶ M. Van Noy et al., *Noncredit enrollment in workforce education: State policies and community college practices*, American Association of Community Colleges and Community College Research Center, 2008.

²⁷ Gina Macris, “R.I. board for higher education seeks 22-percent budget increase,” *Providence Journal*, October 16, 2010.

²⁸ Joe May and Leah Goss, Louisiana Technical and Community College System, presentation at the Joyce Foundation’s *Shifting Gears* Cross-Site Meeting, May 6, 2009.

²⁹ “New La. Law Ties College Funding To Performance,” *Community College Week*, July 26, 2010, <http://www.ccweek.com/news/templates/template.aspx?articleid=1978&zoneid=3>, accessed September 26, 2010.

³⁰ “Governor Signs LA GRAD Act into Law,” Office of the Governor, State of Louisiana, June 30, 2010, <http://gov.louisiana.gov/index.cfm?md=newsroom&tmp=detail&catID=2&articleID=2299>, accessed September 26, 2010.

³¹ Richard L. Petrick, Vice Chancellor for Finance (retired), Ohio Board of Regents, personal correspondence, August 29, 2010. See also “Ohio’s Performance-Based Subsidy Formula for Higher Education: The Ohio Board of Regents Fact Sheet for the New State Share of Instruction Formula,” May 25, 2010, and David Moltz, “Adopting Performance-Based Funding,” *Inside Higher Ed*, April 30, 2009.

³² Leinbach, D. Timothy and Davis Jenkins, “Using Longitudinal Data to Increase Community College Student Success: A Guide to Measuring Milestone and Momentum Point Attainment,” CCRC Research Tools No. 2, Community College Research Center, Teachers College, Columbia University, January 2008.

³³ Kevin J. Dougherty and Rebecca S. Natow, *The Demise of Higher Education Performance Funding Systems in Three States*, Community College Research Center Working Paper No. 17, May 2009.

³⁴ David Prince and Davis Jenkins, *Building Pathways to Success for Low-Skill Adult Students*, Community College Research Center, April 2005.

³⁵ Harry J. Holzer and Robert I. Lerman, *The Future of Middle-Skill Jobs*, Center on Children and Families Brief No. 41, Brookings Institution, February 2009.

³⁶ Pennsylvania Department of Education, *Community College Economic Development Stipend Programs and Courses Approved for 2008-2009*, Report to the General Assembly, May 2009.

³⁷ Christopher Mazzeo et al., *Working Together: Aligning State Systems and Policies for Individual and Regional Prosperity*, Workforce Strategy Center, December 2006.

³⁸ California Legislative Analyst’s Office, *2009-2010 Budget Analysis Series: Higher Education*, January 29, 2009, http://www.lao.ca.gov/analysis_2009/highered/Highered_anl09.pdf.

³⁹ M. Van Noy et al., *Noncredit enrollment in workforce education: State policies and community college practices*, American Association of Community Colleges and Community College Research Center, 2008.

⁴⁰ See California Community College Chancellor’s Office Extended Opportunity Programs and Services (EOPS) web page, <http://www.cccco.edu/ChancellorsOffice/Divisions/StudentServices/EOPS/tabid/703/Default.aspx>.

⁴¹ See the California Community College Chancellor’s Office Cooperative Agencies Resources for Education (CARE) web page, <http://www.cccco.edu/ChancellorsOffice/Divisions/StudentServices/CARE/tabid/589/Default.aspx>.

⁴² California Community Colleges Chancellor’s Office, Student Services and Special Programs, “Impact of Budget Cut to EOPS/CARE in 2009-10 and Potential Impact of Proposed Budget Cut to EOPS in 2010-11,” EOPS/CARE, April 13, 2010, http://www.cccco.edu/Portals/4/SS/EOPS/eops_09-10/EOPS%20survey%20results%20synopsis%204-19-10.pdf.

⁴³ Washington State Board for Community and Technical Colleges, *Opportunity Grants: A Progress Report on the Post Secondary Opportunity Program*, Research Report No. 08-4, October 2008.