



## Building Capacity, Building Community: Increasing Investments in Community Colleges

Testimony of Dr. Mary Alice McCarthy, Director, Center on Education & Labor,  
Before the House Appropriations Subcommittee on Labor, Health and Human Services,  
Education, and Related Agencies

April 20, 2021

Thank you to Chair DeLauro, Ranking Member Cole and members of the Committee for the honor of speaking with you today on this important topic of community colleges and economic recovery.

My name is Mary Alice McCarthy and I direct the Center on Education and Labor at New America. The Center is dedicated to strengthening connections between education and economic mobility and we focus specifically on the nexus between the country's higher education, workforce development, and labor policies.

At the start of 2020, the United States was in the midst of the longest economic expansion in its history, with historically low unemployment, rising wages, and 128 consecutive months of economic growth. Around 70 percent of high school seniors had immediately enrolled in college and community college enrollments hovered around five million students.<sup>1</sup> One year later, our economy had ten million fewer jobs and a record numbers of workers had filed for unemployment insurance over the previous twelve months.<sup>2</sup> The share of high school students filling out the Free Application for Federal Student Aid (FAFSA) declined by nine percent – and even more among students in schools with a high concentration of low-income students (12 percent) or students of color (14 percent).<sup>3</sup> By spring of 2021, community college

enrollments had dropped by nearly 10 percent compared to the previous year -and by 23 percent for first-time students – threatening to upend a decades-long trend toward greater college access.<sup>4</sup>

Community colleges are accustomed to being on the front lines of economic crises, but the COVID-19 pandemic has generated unique challenges for the colleges, their students, job seekers, and the local economies that depend on them. Recessions usually generate higher enrollments as unemployed and young workers enroll in college when job opportunities are scarce. This time has been different.

Despite these differences, community colleges are still uniquely well-positioned to address the economic fallout from the recession, particularly as the economy begins to reopen and students can return to campus. Community colleges serve the students and workers most affected by the pandemic, including adults without a college degree as well as Black and Latinx students and workers.<sup>5</sup> And they are trusted anchor institutions in their communities that can provide a wide range of education and training options to students who may be reluctant to stray too far from home.

But if colleges are going to help their communities recover, they will also need help. Community colleges are already our most under-resourced public institutions of higher education and many have just experienced significant declines in resources due to lost tuition revenue. The programs, services, and partnerships they will need to launch to meet the needs of their communities will require financial resources on par with the \$12 billion proposed in the American Jobs Plan.<sup>6</sup> Targeting those funds effectively will be critical for ensuring that colleges can fulfill their role as drivers of an equitable and inclusive economic recovery. Thank you for the opportunity to share some concrete ideas on how to best structure any investment.

## **Evidence-Based Strategies for Increasing Student Success and Transitions to Employment**

Over the last five years, the Center on Education and Labor at New America has been exploring how community colleges put their students on a path to economic security – whether through a successful transition into a bachelor’s degree program, the completion of an associate degree, or by way of a skills-focused certificate program that leads directly to a high-quality job. Our research confirms that community colleges have a critical role to play in accelerating economic recovery and ensuring the recovery extends to the students and workers who have been the most affected by the pandemic. In 2019, we completed a meta-analysis of the evaluations from the Trade Assistance Act Community College Career Training (TAACT) grant program. The TAACCCT program was designed to increase the capacity of community colleges to serve adult learners, through strategies like prior learning assessment, career navigation services, and competency-based education. Our analysis found that students in TAACCCT-funded programs were nearly twice as likely (91 percent) to complete a program or earn a credential than comparison students and 27 percent more likely to have positive labor market outcomes (employment or wage gains) than comparison students.<sup>7</sup> That is, investing in the capacity of community colleges to serve adult learners did ultimately translate into better outcomes for those students and jobseekers.

Through a series of deep-dive qualitative analyses of the TAACCCT grants, as well as other complimentary research, we have identified specific strategies that community colleges used during that time were effective for increasing college access and completion rates for a wide range of students, including adult and working learners, first-generation students, and place-bound students. And while this recession is not the Great Recession, we do have an

increasingly solid foundation of research around what works when it comes to student success and education to employment transitions for community college students.

But knowing what works is different than being able to actually do what works – that requires resources to stand up new programs, redesign services, build relationships with employers and other key partners, and integrate new technologies into the everyday operation of the college.

Here are four evidence-based interventions that a large-scale discretionary investment in community colleges could support and, with the proper incentives and funding, scale and sustain.

1. **Holistic Student Support Services:** It is impossible to overstate the importance of providing students with a wide range of support services that begin before they even enroll in their first course and continue throughout their time in college. Rigorous study after rigorous study has demonstrated the value of support services for helping students graduate – services like advising, coaching, career navigation, “wraparounds” like help with childcare and transportation, emergency cash assistance, food pantries, mental health services, job interview and resume prep.<sup>8</sup> They are particularly helpful for the many first-generation, economically vulnerable, and student parents who attend community college. And colleges can be very creative in terms of design and delivery. Indeed, in our research over the last year on how colleges are responding to the pandemic, we have surfaced a number of innovative approaches like the one at Anoka Ramsey Community College in Minnesota which is leveraging videoconferencing technology to deliver support services without losing the personal touch that makes them so valuable.<sup>9</sup>

Even as college leaders recognize the importance of holistic student supports, they can be hard to pay for, and particularly when it comes to getting them started, which can require

some experimentation and staff training – and creating a sustainable financing model. A well-targeted investment that includes a requirement that colleges work with their state and other partners on sustainable financing, would be an important step toward making these critical services available to many more students.

2. **Sectoral/Industry Partnerships:** Just as support services are the critical ingredient for student success, effective community college - industry partnerships are what enable successful transitions from school to work. Sectoral partnerships or “sector strategies” are a model for bringing together multiple employers from a single industry, colleges, and relevant intermediaries such as workforce boards, community-based organizations, or state or municipal agencies, to train workers and support local employers. These workforce development models have been rigorously evaluated and have a strong record of success connecting jobseekers, including individuals with barriers to employment, to good jobs.<sup>10</sup> While some community colleges participate in these partnerships, they are still under-represented, which has limited efforts to expand and scale these highly effective education to employment models. L.A. Trade Tech in California, which has been an anchor partner in a regional transportation and public-utilities focused sectoral partnership in Southern California is an important exception, training hundreds of local residents for good-paying jobs in their community. A well-targeted investment that helps colleges manage the high start-up costs of these models and partner with other key stakeholders could catalyze many more sectoral partnerships.

3. **Apprenticeship and Work-Based Learning:** When it comes to high quality employment models, Registered Apprenticeship is the gold standard.<sup>11</sup> Apprenticeship is a highly effective education and employment strategy that can address many of the financial and

practical challenges that prevent students from completing postsecondary education and transitioning successfully into the labor market. Yet it is an underleveraged strategy in the United States, serving just over 500,000 apprentices each year and preparing them for a narrow set of occupations, mostly in the building trades.<sup>12</sup> One of the barriers to expanding apprenticeship into industries beyond construction is that career entry and advancement in high-growth fields like health care, business services, and information technology require college degrees, which only institutions of higher education can deliver.<sup>13</sup>

Community colleges are uniquely positioned to help scale up the number of high-quality apprenticeship opportunities and expand apprenticeship into industries like health care, information technology, business, and advanced manufacturing, where workers need educational credentials (degrees and certificates) to advance in their careers.<sup>14</sup> Community colleges have a long history of developing and delivering training that is responsive to the needs of regional employers, both large and small, and providing students with affordable pathways to postsecondary credentials of value. A well-targeted investment that helps colleges build the right internal and external partnerships to develop apprenticeships that also lead to a college degree could advance the field significantly.

4. **Enhanced Online Learning and Simulations:** A clear lesson from the pandemic is that making an abrupt switch to on-line learning is very disruptive and very difficult for colleges, faculty, and students. A year later, our interviews reveal that community colleges have a much better sense of what they need in terms of technology and how to prepare their faculty and staff – but they will need resources to turn those ideas into reality.<sup>15</sup> It is a good time for a well-targeted discretionary investment that colleges can use to purchase essential equipment and design services to improve and facilitate online learning. That said, it's also

important to remember that technology on its own is never the solution and without the strategies outlined above for ensuring students complete their programs and transition successfully into jobs, no amount of new software or hardware will make the differences that really matter for students.

### **Funding for Scale and Sustainability**

Another major lesson from the TAACCCT investment is that it's not enough to identify priority, evidence-based strategies for colleges to pursue. The design and implementation of the grant program is also critical to its success. At New America, we have detailed recommendations<sup>16</sup> on how to structure this type of federal investment to maximize opportunities for success and long-term sustainability – and links to those are included in this document. In the interest of time, I will just mention two points we consider especially important:

1. **Include the State as a Mandatory Partner:** Federal investments in community colleges should empower institutions to implement changes that will last beyond the grant period. State agencies are critical for elevating successful institutional interventions and bringing them to the attention of state policymakers. That is what the Colorado Community College System did to scale successful reforms to developmental education generated by a TAACCCT grant – but they are the exception.<sup>17</sup> To foster productive state collaboration with grantee institutions, it would be helpful to include at least one state agency (education or workforce) as a mandatory partner, and set aside five percent of grant funds to support the agency's active participation.
2. **Create (and Fund) an Interagency Office with Staff from the Departments of Labor and Education:** This office should design and administer the grant program, and should have resources to dedicated to third-party technical assistance and rigorous evaluation.

Community colleges sit at the nexus of education and workforce development and this investment should help close the gap between school and work. This office would bring together expertise from the DOL on strategies like sectoral partnerships and apprenticeship and from ED on approaches like holistic student supports. If the goal is for colleges to work across the silos, the federal government should aim to do the same.

### **Building Capacity for the Long Term: Stable Funding for Community Colleges**

Now is the right time for a large, well-crafted discretionary investment in community colleges. But a one-time infusion of resources will not be enough to create a foundation for continual improvement or sustained innovation. Congress should consider additional strategies for providing community colleges the funding they need, including through additional funding for the Carl D Perkins Career and Technical Education Act and through dedicated funding for community colleges through the Federal Work Study Program. Community college students receive only 11 percent of federal work study funding, despite enrolling nearly 40 percent of all undergraduates, the majority of whom have to work to afford school.<sup>18</sup> By adding an additional funding stream to the existing Federal Work Study program limited to community colleges, Congress could provide colleges with critical resources to address one of the major drivers of drop-outs. We have more details on this proposal on our website at New America.<sup>19</sup>

Thank you for your time and kindly consideration of these ideas.



- 
- <sup>1</sup> National Student Clearing House. “Current Term Enrollment Estimates” December 17, 2020. <https://nscresearchcenter.org/current-term-enrollment-estimates/>
- <sup>2</sup> Bureau of Labor Statistics, U.S. Department of Labor. “The Employment Situation – January 2021”. [https://www.bls.gov/news.release/archives/empsit\\_02052021.pdf](https://www.bls.gov/news.release/archives/empsit_02052021.pdf)
- <sup>3</sup> From Your Future. “FAFSA Tracker.” <https://formyourfuture.org/fafsa-tracker/>
- <sup>4</sup> Madeline St. Amour, Inside Higher Ed. “Who’s Up, Who’s Down and Why”. November 19, 2020. <https://www.insidehighered.com/news/2020/11/19/community-college-enrollments-down-nationally-not-everywhere>
- <sup>5</sup> National Center for Education Statistics, “Fast Facts: Enrollment”. 2019. [https://nces.ed.gov/programs/digest/d19/tables/dt19\\_302.60.asp](https://nces.ed.gov/programs/digest/d19/tables/dt19_302.60.asp)
- <sup>6</sup> The White House. “The American Jobs Plan”. April, 2021. <https://www.whitehouse.gov/american-jobs-plan/>
- <sup>7</sup> Grant Blume, Elizabeth Meza, Debra Bragg and Ivy Love. New America. “Estimating the Impact of the Nation’s Largest Single Investment in Community Colleges.” October 7, 2019. <https://www.whitehouse.gov/american-jobs-plan/>
- <sup>8</sup> Achieving the Dream. “Holistic Student Supports”. <https://www.achievingthedream.org/resources/initiatives/holistic-student-supports>
- <sup>9</sup> Iris Palmer and Ivy Love. New America. “Six Strategies Community Colleges are Using to Help Bring Students Back and Stay Enrolled.” March 22, 2021.
- <sup>10</sup> See and Maguire, S., Freely, J., Clymer, C., Conway, M. & Schwartz, D. (2010). Tuning In to Local Labor Markets: Findings from the Sectoral Employment Impact Study. Philadelphia, PA: Public/Private Ventures; Woolsey, Lindsey and Groves, Garrett (2013). State Sector Strategies Coming of Age: Implications for State Workforce Policy Makers.
- <sup>11</sup> See Lerman, Robert (2018) “The Virtues of Apprenticeship” for a review of the research (<https://www.urban.org/research/publication/virtue-apprenticeship>) and Kleinman, Liu, Mastri, Reed Sattar, & Ziegler (2012). An Effectiveness Assessment and Cost-Benefit Analysis of Registered Apprenticeship in 10 States. Mathematica Policy Research. Prepared for the U.S. Department of Labor, Employment and Training Administration.
- <sup>12</sup> Brent Parton, “New America. Youth Apprenticeship in America Today.” December, 2017. <https://www.newamerica.org/education-policy/policy-papers/youth-apprenticeship-america-today/>
- <sup>13</sup> Mary Alice McCarthy, Iris Palmer and Michael Prebil. New America. “Connecting Apprenticeship and Higher Education: Eight Recommendations.” December 6, 2017. <https://www.newamerica.org/education-policy/policy-papers/eight-recommendations-connecting-apprenticeship-and-higher-ed/>
- <sup>14</sup> Lul Tesfai, New America, “Creating Pathways to College Degrees Through Apprenticeships.” 2019. <https://www.newamerica.org/education-policy/reports/creating-pathways-postsecondary-credentials-through-apprenticeships/>
- <sup>15</sup> Iris Palmer and Ivy Love. New America. “Collaboration in Online Learning and Simulation.” December, 2020. [https://d1y8sb8igg2f8e.cloudfront.net/documents/Collaboration\\_in\\_Online\\_Learning\\_and\\_Simulation.pdf](https://d1y8sb8igg2f8e.cloudfront.net/documents/Collaboration_in_Online_Learning_and_Simulation.pdf)
- <sup>16</sup> Ivy Love and Iris Palmer. New America. “Using Past Lessons to Draw a Blueprint for Federal Investments in Community Colleges.” March, 2020. <https://www.newamerica.org/education-policy/edcentral/using-past-lessons-draw-blueprint-federal-investment-community-colleges/>
- <sup>17</sup> Iris Palmer and Sophie Nguyen. New America. “Connecting Adults to College with Credit for Prior Learning.” October, 2019. <https://files.eric.ed.gov/fulltext/ED599748.pdf>
- <sup>18</sup> Iris Palmer, Higher Learning Advocates. “Reforming Federal Work Study to Support Today’s Students.” October, 2019. <https://higherlearningadvocates.org/2019/10/17/reforming-federal-work-study-to-support-todays-students/>
- <sup>19</sup> Iris Palmer and Mary Alice McCarthy, New America. “How can we bring students back to community college? Give them jobs.” April 1, 2021. <https://www.newamerica.org/education-policy/edcentral/how-can-we-bring-students-back-to-community-college-give-them-jobs/>