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ABSTRACT

Although the community college is a product of the publicly subsidized move to mass higher education during the 25 years following World War II, it now faces a more stringent fiscal environment that severely challenges its comprehensive, multipurpose character. Funding in the current era of consolidation entails an examination and reconciliation of the conflicting fiscal imperatives of the different institutional roles that the colleges hold. The first role is that of a flexible institution, allowing students to take courses on a tentative or occasional basis. The second role is that of the scholastic institution, facilitating degree completion or successful entry into higher levels of the graded education system. The third role is that of the social service agency, utilizing special purpose grants to carry out or coordinate economic development or social welfare programs. Although all three of these functions have been embraced by the colleges and serve the diverse constituency of mass higher education, funding mechanisms necessarily represent a trade-off between the benefits that each role yields. Scarcer resources put these trade-offs in sharper relief, making it more important for decision makers to prioritize their expectations for the educational roles community colleges will carry out. (Author/TGI)

Running Head: Community College Funding

Funding the Multipurpose Community College

In an Era of Consolidation

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Abstract

Although the community college is a product of the publicly subsidized move to mass higher education during the 25 years following World War II, it now faces a more stringent fiscal environment that severely challenges its comprehensive, multipurpose character. Funding in the current era of consolidation entails an examination and reconciliation of the conflicting fiscal imperatives of at least three institutional roles. The first is that of the *flexible institution*, which allows students to take courses on a tentative or occasional basis. The second is that of the *scholastic institution*, which facilitates degree completion or successful entry into higher levels of the graded education system. The final role is that of the *social service agency*, which utilizes special purpose grants to carry out or coordinate economic development or social welfare programs. Although the community college has embraced all three, funding mechanisms necessarily represent (by default or design) a trade-off between the benefits that each may potentially yield. Scarcer resources put these trade-offs in sharper relief, making it more important for decision makers to prioritize their expectations for the educational roles community colleges will carry out.

Funding the Multipurpose Community College In the Era of Consolidation

Today's community college system is a product of the publicly subsidized move to mass higher education during the 25 years following World War II. When the President's Commission on Higher Education (1947) issued its landmark report advocating free schooling through grade 14 for all who could benefit, 315 public junior colleges enrolled 216,325 students (Palmer, 1987). By the time the Carnegie Commission on Higher Education (1970) published The Open-Door College, 847 public community colleges enrolled 2,366,028 students (Harper, 1971). Between the publication of these two reports, which anchor both ends of American higher education's greatest growth period, the proportion of individuals between the ages of 18 and 24 who were enrolled in college (two-year or four-year) rose from 12% to 32% (Bureau of the Census, 1975, p. 383). During the same time period, total government revenues to public institutions of higher education (in current dollars) increased from $453 million annually to $9.2 billion (Bureau of the Census, 1975, p. 384).

Though enrollments continued to grow after 1970, rising to 5.5 million students in 1992 (Snyder & Hoffman, 1995, p. 177), community college claims to increased public subsidies have been more intensely scrutinized. Lombardi (1973, p. 110) noted that the "golden era of community college financing peaked in the mid-sixties," as the public became more distrustful of social institutions generally and as access to education became a less urgent priority in light of other "local and national concerns . . . crowding education for first demand on public money." The change in fortunes experienced by the community college was characterized by Lombardi as "its most serious crisis since the Great Depression" (p. 111) and was mirrored globally as countries throughout the world found that post-war rates of growth in tertiary education became fiscally unsustainable in the 1970s (Eicher & Chevaillier, 1993). The result for American community colleges is documented in Table 1, which shows that between fiscal years 1977 and 1992, tuition revenues per full-time equivalent (FTE) student increased by 32% while state and local appropriations per FTE student decreased by 12% and federal appropriations per FTE student decreased by 58%.

[Table 1 here]

The current era, then, is one of consolidation, marked by an effort to prioritize the purposes of mass higher education and to achieve ever greater operating efficiencies as demand continues to outpace public revenues. The primary fiscal question of the past 25 years has not been "Will the community college survive?" Indeed, the institution remains a well-established part of American higher education and in the 1990s has often enjoyed higher percentage increases in state appropriations than those enjoyed by four-year colleges and universities (Hines, 1994, p. 10). The more important question, rather, is "On what basis will public subsidies be made?"

Answers to have been made from two standpoints. Scholars with close ties to the community college movement have responded from a policy viewpoint, arguing that state funding plans should be consistent with the tenets of open access, curricular comprehensiveness, local control, low cost to students, and responsiveness to local needs (Martorana & Wattenbarger, 1978; Wattenbarger, 1985). Their goal is to preserve the expanded access to education that emerged in the immediate post-war decades. Economists have applied theoretical constructs. Examples include Breneman and Nelson (1981), who weigh institutional claims for public subsidy against the competing values of market efficiency and social equity, and Garms (1977), who analyzes state funding plans against nine criteria that stress tax equity, access for those unable to attend four-year colleges, minimal duplication of effort between educational sectors, and internal college efficiency.

This essay takes a different approach, analyzing the question of public subsidy from the standpoint of educational purpose. For at the heart of today's funding controversies lies the often unrecognized problem of reconciling the conflicting economic imperatives inherent in the community college's multiple educational roles. One role is that of the *flexible institution*, meeting the diverse and idiosyncratic educational needs of local citizens. A second role is that of the *scholastic institution*, leading students to degree completion or to successful entry into higher levels of the graded education system. A third role is that of the *social service agency*, executing government programs that address economic or social ills through education or training. Each offers the public a different picture of the return it can expect (both to individuals and to society at large) on its investment in the community college.

The Flexible Institution

Although community college catalogs describe curricula leading to degrees and certificates, students use the institutions for their own purposes. For example, studies of transfer students reveal wide variations in the ways students use community colleges on the path to the baccalaureate. Some take only one course at the community college, either before or after matriculation into the four-year college, while others earn well over 100 semester hours of community college credit; the linear sequence of two years at the community college followed by two years at the university applies only to a minority of students (Palmer & Pugh, 1993; Palmer, Stapleton, & Ludwig, 1994). In the vocational arena, students also exhibit diverse patterns of study. Except in allied health and other areas that require licensure, relatively few students complete associate's degrees; student association with the college may range from enrollment in one semester to completion of two or more programs over an extended period of time (Cohen & Brawer, 1989, pp. 215-216).

It can be argued, therefore, that besides maintaining access to degree programs, investment in community colleges (with their relatively loose entry and exit policies) yields the advantage of an institutional flexibility needed for ad hoc, complementary, or even serendipitous learning. Ad hoc learning is undertaken to meet the need for new skills or understandings. An example might be a student who enrolls in a computer science course in order to cope with new technologies on the job. Complementary learning is undertaken in conjunction with degree programs offered elsewhere. A common example is the university student who concurrently enrolls in a community college course either to remediate skills or to complete a required course that is oversubscribed at the four-year institution. Serendipitous learning involves spontaneous discovery and redirection, as in the case of students who enter a program in one field but discover that they would like to study something else. Adelman (1992) documented these and other patterns of idiosyncratic use in the college-going behavior of subjects in the National Longitudinal Study of the High School Class of 1972 (NLS72), concluding that community colleges are facilitators of "occasional" learning with only a minimal credentialing role. "What the community college does," he maintained, "is to canonize and formalize the many decisions we make as adults to engage in learning for either limited, highly focused purposes or for general purposes" (p. 22).

Why Invest in the Flexible Institution?

The benefits accrued to individuals through this institutional flexibility are difficult to calculate, because the uses and outcomes of the institution are as varied as the students who attend. But at least four types of benefits might be assumed. One is access to education. As Adelman (1992, p. 22) points out, four-year institutions usually have a "culture of credentialism" with an attendant adherence to academic calendars, making it difficult for them to serve occasional learners. Without the community college, these individuals might presumably find few opportunities for structured study.

A second potential benefit, implied in the first, is learning efficiency. The university student who takes a community college course in the summer may decrease her time to degree.

Similarly, the employee who takes a computer course to enhance job skills may learn those skills in a more timely and efficient manner than he could on his own without the guidance of an instructor.

The third benefit to individuals entails enhanced earnings. Kane and Rouse (1995a, 1995b) offer evidence of the wage benefits of course-taking without earning a credential. Their analysis of the incomes of NLS72 subjects suggests that "both men and women earn more than comparable high school graduates after attending a two-year college whether or not they complete the [associate's] degree" (Kane & Rouse, 1995a, p. 219). Grubb (1995) concurs, but argues that much depends on the type of credit earned. His analysis of the same data set suggests that the wage benefits of nondegree holders accrue only to those who earn vocational credits and not academic credits.

Beyond ex post wage differentials, however, Kane and Rouse (1995b) also note the probability of a fourth benefit: an "option value" accrued to those who complete courses without earning a credential. As they explain,

> When one is uncertain about the prospects of completing college before entry, there will be value attached to enrolling in order to discover whether one is 'college material.'. . . Those who do not exercise the option of completing college and leave after only a few credits may enjoy only small wage differentials. However, it would be inaccurate to describe college as not having been worthwhile for this group, because the *ex ante* returns may indeed have been large enough to justify the public and private investments" (p. 611).

Presumably, the students' future educational investments will be made on the basis of better-informed judgements.

These benefits also offer strong (albeit hardly empirical) evidence of positive externalities, benefits that accrue to society at large beyond those that accrue to individual students. Without these institutions (or colleges like them), individuals would presumably underinvest in the occasional learning (above and beyond employer-provided, on-the-job training) that is needed to remain employable in a rapidly changing economy. Aggregate consumer investment in post-compulsory education would be less efficient, because consumers would not have the insights gained through the opportunity to experiment by taking occasional courses. (It would be as though consumers in the automobile market were asked to make purchasing decisions without test drives.) In addition, society might also lose the net increase in educated citizens that presumably results with the freedom afforded by community colleges to test one's educational intentions and skills in a low-risk atmosphere that facilitates easy entry and exit. Romano (1986b, p. 162) implies this benefit in his suggestion that discount rates used in the calculation of the return on investment in education at two-year and four-year colleges should include a "risk factor" that recognizes the tendency of the former to attract students for whom traditional baccalaureate-granting institutions are intimidating. As he explains, "If. . . the risk of going to a 4-year college is perceived to be higher. . . than that of going to a 2-year college, then the future stream of earnings for the 4-year choice would have to be discounted at a higher rate."

Funding the Flexible College

Given the presumption of societal benefits, a case can be made for public subsidy of the flexible community college. These subsidies would ideally be made in ways that encourage the maintenance of easy access and exit. Because the educational needs of area citizens will presumably vary between localities, funding mechanisms should, in Garms's words, "enhance, rather than impede, the ability of the community college to respond to the particular needs of the community it serves" (Garms, 1977, p. 38). Local administrators should be given a high level of autonomy in setting academic policy and administering funds, points that have been emphasized by many community college leaders (Martorana & Wattenbarger, 1978; Wattenbarger, 1985). Effectiveness in the use of funds would be measured in terms of consumer satisfaction with the college experience. Indicators of the extent to which idiosyncratic student goals have been met might also be emphasized.

Those who would tie funding to the college's role as a flexible institution nonetheless face the challenge of defining priorities among a potentially infinite set of individual training and education agendas that students bring with them. To do otherwise is to suggest that society offer the colleges a blank check, subsidizing the enrollment of all comers. But whose agenda is more worthy of public support? Economic analysis leads to conflicting views. For example, Breneman and Nelson (1981) claim that vocational education yields few positive externalities and should be paid for by students and their employers, who are the presumed beneficiaries of such training. Yet Romano (1986a, p. 12) cautions that public subsidy of vocational education might be required in the face of employer fears that workers will move or change jobs, thereby making it difficult for businesses to recoup their training costs. These fears might limit employer contributions to training, leading to the possibility "that in the face of no publicly-financed training programs, fewer people would be trained than is economically justified. . . ."

Even if priorities were made, the colleges would still face the difficulty of pigeonholing students into priority categories. Which of the students in a photography class, for example, are honing job skills and which are pursuing a personal avocation? Answers to these types of questions remain as elusive as the goals of the students themselves. In the end, flexible responsiveness to idiosyncratic educational agendas becomes an ever more infeasible institutional purpose as the need to prioritize those agendas increases. The natural fallback is to the prescriptive stance of the degree-granting scholastic institution.

The Scholastic Institution

Advocates of a scholastic focus for the community college, notably Cohen and Brawer (1987, 1989) and Eaton (1994), question the supposed benefits and efficiencies of the flexible institution. They emphasize the importance of student placement and guidance through sequenced degree programs, arguing that students may otherwise wander through the curriculum without demonstrable results. Attention to sequenced learning according to prescribed curricula, they maintain, is also necessary to sustain transfer opportunities for baccalaureate-seeking students. From the scholastic viewpoint, the flexible institution offers what Cohen and Brawer (1989, p. 386) call a "nihilistic curriculum represented by students taking classes at will." All efficiencies are lost: "This is chaos, not college" (Cohen & Brawer, 1989, p. 386).

The scholastic philosophy figures heavily in policy responses to the fiscal problems of the post-1960s. For example, McCabe (1981) called on community colleges to follow the lead of Miami-Dade Community college, tightening matriculation processes through rigorous entrance testing and placement, insisting that students master basic skills prior to enrollment in college-level courses, providing continual feedback to students as they progress through their programs, and strictly enforcing standards of academic progress with the understanding that public subsidy of a student's education will be discontinued if those standards were not met. In California, the exigencies of a declining state economy were met in the 1980s and 1990s with policies that reflect many of McCabe's precepts. The state instituted a matriculation program emphasizing testing, placement, and the mutual responsibility of college and student to work toward the completion of educational goals (California Community Colleges, 1984). As the gap between enrollment demand and available funding expanded in the 1990s, a task force convened by the Board of Governors of the California Community Colleges drafted recommended registration guidelines that give first priority to matriculated students who intend to transfer, earn a credential (associate's degree or certificate), acquire entry-level job skills, or upgrade job skills. Among matriculated students, priority was to be given first to continuing students, followed by recent high school graduates, other new or returning students, and new students who already hold the baccalaureate (Walters, 1994).

Why Invest in the Scholastic Institution?

These measures emphasize individual and societal returns on investment in degree attainment. Some are economic, dealing principally with the earnings advantages that accrue to at least some degree holders. Though Kane and Rouse (1995a, 1995b) show that college dropouts earn higher wages than high school graduates who accumulate no college credits, their analysis of NLS72 subjects also suggests a sheepskin effect for women who earn the associate's degree and for men who earn the baccalaureate. In these cases, those who hold the credential enjoy higher earnings than similar students who earn the equivalent of two or four years of college credits but who do not earn, respectively, the associate's degree or the baccalaureate. Analyzing the same data set, Grubb (1995) comes to a similar conclusion, but again cautions that much depends on the student's curriculum. He argues that the sheepskin effect enjoyed by women applies only to those who earn vocational degrees and not to those who earn associate's degrees in academic fields. Obviously much will depend on whether the degree is an entry level requirement for job-seekers. As Kane and Rouse (1995b, p. 605) note, the sheepskin effect enjoyed by women earning two-year degrees probably reflects "the value of the associate's degree in nursing, since one-quarter of the associate's degrees for women [in the NLS72 study] were awarded in the field of nursing."

A second and potentially more compelling set of considerations, however, lies in the intrinsic value of the bachelor's degree within a society that views the four-year credential--rightly or wrongly--as the principle mark of achievement in undergraduate education. The high visibility of the bachelor's degree, which contrasts sharply with the obscurity of the relatively unknown associate's degree (Adelman, 1992, pp. 25-26), places considerable pressure on the community college to maintain its place in the graded system of education, offering students maximum opportunity for transfer to baccalaureate-granting institutions. From this standpoint the scholastic stance offers important advantages. Its emphasis on matriculation, guided progress through a sequenced curriculum, and enforcement of academic standards reinforces the goal of degree attainment, promising efficiency for students, who will proceed purposely rather than haphazardly toward the baccalaureate, for individual community colleges, which will minimize the costs associated with continually reregistering students who stop in and stop out, and for state higher education systems, which will be characterized by greater linkages between two-year and four-year institutions. Because of the disproportionally large numbers of minority and low income students at community colleges (as opposed to four-year colleges), it can also be argued that the scholastic stance promotes equity, offering a path to the baccalaureate for those who have been underrepresented in the ranks of bachelor's degree graduates (Palmer & Eaton, pp. 19-20).

A third set of potential benefits is pedagogical in nature, based on the assumption that adherence to prerequisites and academic standards throughout the curriculum may limit faculty tendencies to cope with wide-ranging student skills by watering down expectations for learning. Richardson and Rhodes (1985, p. 286) take this stance, arguing that "open access defined as the opportunity to take all but the limited-seat, high-cost technical programs" has diminished instructional quality, thereby limiting educational opportunity. They maintain that "Qualified students who wish to earn legitimate college and occupational credentials are handicapped by college-level courses that are taught at less-demanding levels in order to accommodate underqualified students." This view has been supported by interviews and ethnographic research which portray the community college faculty as casualties of an acculturation process that leads many new teachers to compromise their commitment to academic standards (London, 1978; Richardson, Fisk, & Okun, 1983; Seidman, 1985; Weis, 1985). Without the corrective measures of the scholastic stance, the result may be a diminished return on societal investment in the community college as an avenue for educational advancement.

Funding the Scholastic Institution

Besides employing registration priorities favoring matriculated, degree-seeking students (as has been recommended in California), funding systems designed to yield the benefits and efficiencies implied in the scholastic framework would have three features that make them radically different from the fiscal structures that support community colleges today. One would be a performance-based approach to funding which ties subsidies (at least partially) to documented evidence of student learning. This performance-based approach would rest heavily on assessments of curriculum effects, demonstrating the extent to which program completers have the knowledge and capacities that are expected of graduates.

A second feature, inherent in the first, would be the diminution of enrollment in the calculation of subsidies. Noting that enrollment-based funding mechanisms were developed to cope with the rapid growth of the 1950s and 1960s, McCabe (1981) suggests that they have become detrimental in the subsequent, less affluent era. He argues that the colleges have "become entrapped by an essential need to sustain enrollment in order to remain economically viable" (p. 8) often to the detriment of the institution's academic viability. "Legislators who demand improved quality and higher standards," he maintains, "must help by freeing the colleges from the bondage of enrollment-driven funding formulas" (p. 10). This stance would be heartily approved by those who feel that faculty efforts to maintain high expectations for students are thwarted by an enrollment-at-all-costs attitude.

Finally, the scholastic stance demands the fiscal and administrative separation of the credit curriculum, which leads to degree completion, from the continuing education curriculum, which accommodates occasional learning. Cohen and Brawer (1989, pp. 277-78) have argued that the intermingling of these two functions, which have essentially different purposes, diminishes each and confounds education for personal consumption with education for the benefit of society. They maintain that students pursuing occasional learning should be enrolled in a self-supporting college extension division and not in credit classes, which should be offered in a separate, subsidized program for degree-seekers. Their approach models those employed in universities and in the higher education systems of foreign countries, aligning funding intent with educational purpose:

> Other nations have been more vigorous in steering . . . personal interest students to self-pay activities or government funded programs provided through community education structures and operated through local government agencies. American universities tend to shunt them to their extension divisions. Community colleges function in a shadow world of enrollment-driven, program differentiated funding for students whose aspirations are as mercurial as their use of the institutions is indistinct (Cohen, 1993, p. 74).

The Social Service Agency

Largely unmindful of the philosophical distinctions and fiscal nuances of the flexible and scholastic viewpoints, legislators are nonetheless intent on demonstrating the utility of their appropriations. One approach has been the use of categorical funds that underwrite college efforts in economic development projects or other social programs. In Illinois, for example, formula-derived funding for the community colleges is augmented by economic development grants and other special appropriations that support small business centers, training programs for displaced workers, and other projects that are designed to boost the economy of local communities or enhance the skills of the local workforce (Illinois Community College Board, 1994). Such non-formula components have seen increasing use in state funding plans nationally (McKeown & Layzell, 1994, pp. 321-22). Between 1977 and 1992, the constant-dollar revenues per full-time equivalent student received by community colleges in the form of state or local grants and contracts increased by 196%, the largest increase in any of the eight revenue categories tracked by the United States Department of Education. (See Table 1, above.)

This trend is wholly in line with Lombardi's (1973) prescient observation that "slowly but surely community colleges are becoming dispensers of social welfare" (p.114). The acceptance of and active competition for government contracts to carry out economic development and social welfare programs has been accelerated by a perceived need on the part of colleges to diversify their funding base. For example, fiscal uncertainties in California led Newmyer and McIntyre (1992) to recommend, among other policy initiatives, the pursuit of "a greater share of [federal] funds for vocational education, such as the Perkins Act and JTPA" (pp. 24-25). Community college leaders have also used economic development projects, particularly those that are developed in partnership with area businesses, to enhance the institution's image and utility. Zeiss (1989) maintains that linkages with business "could be the vehicle that erases the identity problem of community, technical, and junior colleges that has so long endured. . . . By examining their frame of reference, focusing on a target market, and promoting a point of difference, community colleges can easily become recognized as a vital part of their communities, states, and nation" (pp. 3-4).

Why Invest in the College as Social Service Agency?

From the economic perspective public investments in these projects imply efficiencies in the production of social benefits, such as net increases in employment, reductions in welfare dependence, or reductions in the rate of small business failure. For example, the Illinois Community College Board reports annually on the estimated number of jobs that are saved, retained or created through investment in economic development grants (see, for example, the Illinois Community College Board, 1996). So long as these jobs represent a net increase in employment, and not simply the economic gain of Illinois at the expense of employment in other states (a potential danger pointed out by Grubb [1989]), they presumably reflect a positive return on public investment.

A second, more subtle benefit lies in the potential efficiencies of the funding mechanism itself; contracts target funds for specific purposes, usually requiring rigerous assessments of results, thereby avoiding the vagaries of general institutional support. Eicher and Chevaillier (1993) note the attractiveness of this direct funding to policy makers world wide who feel that subsidies for the general operation of institutions (such as those subsidies awarded simply on the basis of enrollment) offer few incentives for increasing productivity or reducing costs. They point out that such doubts are less frequently raised in the case of "specific support given only on a temporary basis and subject to evaluation. . . ." Hence "funding based on contracts and signed between the government and each institution recently has been advocated at the higher education level" (Eicher & Chevaillier, p. 484).

Finally, community college leaders and commentators have raised the possibility of increased efficiency in government delivery of social services. They argue that the nation's community colleges, with their commitment to vocational training and their ethos of responsiveness to local needs, constitute an established adult education system that can consolidate and coordinate the delivery of diffuse government programs for human resource development. For example, Katsinas and Swender (1992) and Katsinas (1994) suggest that these advantages aren't always understood by administrators who oversee government manpower development programs, with the result that funding is inefficiently spread across several community-based agencies (CBOs), sometimes involving community colleges, sometimes not. Hence "community colleges must actively promote a national strategy of human resource policy development that places them in a primary brokering role, extending and in many cases replacing those functions previously performed by CBOs" (Katsinas & Swender, 1992, p. 22). This picture of the community college is one in which the institution is at the center of government workforce development efforts, coordinating credit programming with "non-FTE-based employment and training, welfare-to-work, and adult literacy systems" (Katsinas, 1994, p. 25). The inefficiencies inherent in the overlapping regional jurisdictions of adult literacy agencies, regional economic development councils, and other agencies that administer programs funded by the Job Training Partnership Act (JTPA) and the Family support Act of 1988 (such as the JOBS program) would be eliminated as community college districts become the service regions for all.

Funding the Community College As Social Service Agency

The desired advantages of these funding arrangements may not be realized if hidden costs remain unrecognized in funding mechanisms. These costs are incurred through the paperwork burden of government contracts, the strictures within legislative mandates that impede responsiveness to local needs, and the tendency to involve colleges in noneducative work for which the institution may be ill-suited. Each should be avoided.

Paperwork documenting compliance with contract obligations cannot be avoided. But it can lead to inefficiencies when it makes unwarranted demands on staff time (potentially to the detriment of clients) or when the information it generates has only marginal utility. For example, college staff members working with public aid recipients may devote a great deal of time to reporting data that say more about the month-to-month compliance of clients with public aid rules and regulations than about the progress the students make in their educational programs. Clearly, the data collection mandates imposed on the colleges, though required by law, may be of little or no use to the colleges in their attempt to educate public aid recipients or other populations that are the focus of social service legislation.

College action can also be restricted by legislative prescriptions that preclude creative responses to local problems. For example, Katsinas (1994) urges community colleges to become local coordinators for the federally-funded JOBS programs (along the lines of the Opportunities program described above). But does the JOBS program as developed in the Family Support Act of 1988 offer an optimal welfare-to-work mechanism? Herr, Halpern, and Conrad (1993) say no, pointing to research evidence suggesting that its emphasis on education limits its utility for all but the most able public aid recipients. They maintain that ". . .the welfare-to-work transition is not a single leap from education to employment." For some individuals it is a long and difficult period of adjustment because "at a more basic level, it is about personal growth and change" (p. 115). Hence they question the utility of immediately placing welfare recipients in education programs and suggest alternative approaches that may not be fundable under the current law.

If this analysis is correct, community colleges may buy into a flawed mechanism, offering their curricula as the path out of welfare for area citizens who have more immediate, noneducational needs. In the extreme, the ideal of community responsiveness could be turned on its end, as colleges develop programs whose starting points are legislative mandates rather than community nuances. Because these mandates change constantly, there is the added danger that college services to local communities will evolve incoherently, thereby thwarting the efficiencies seen by Katsinas (1994) in government use of community colleges as a nexus for social service programs. Eicher and Chevaillier (1993, p. 513) have noted that "Specific grants do not ensure the long-term stability that institutions need, and they can be given more in accordance with passing priorities and fancies of elected bodies than with a thought-out pattern of development."

The recognition that solutions to social problems entail more than formal education also leads to the question of how far community colleges should stray from their traditional educative roles. If the colleges are viewed as <u>the</u> solution to social ills rather than <u>part of</u> the solution, expectations of the colleges may rise exponentially. Welfare-to-work programs that start with an emphasis on education may add on services related to personal counseling, legal advice, or reference and referral to emergency housing shelters. It quickly becomes evident that success of the college program requires careful coordination with other community-based agencies. Otherwise the college may go beyond its expertise and endanger its reputation as an educational institution. As Vaughan (1991, p. 32) notes, college leaders should protect the educational core of the community college mission:

> . . .waiting at the edge of the mission are any number of problems that need solutions. Indeed, the problems are too numerous to be addressed effectively by any single entity in society. Thus, priorities must be established. . . . To try to be all things to all people is both to dissipate the mission beyond recognition and to pull so many resources from the core that the community college no longer functions as an institution of higher learning. One this happens, the community college has trouble justifying funds from the sources that normally finance higher education.

All of these cautions point to imperatives in contracted funding for college economic development or social welfare programs. First, reporting requirements, though necessary, should yield useful information about program success and not be so burdensome as to reduce client services. Although colleges must remain accountable, there is clearly a point of diminishing returns at which staff investment in paperwork endangers program effectiveness. There is also a point at which legislative strictures diminish college responsiveness to local needs. This responsiveness will be endangered to the extent that funding is tied to specific, centrally-prescribed actions rather than to desired outcomes. Piland (1995, p. 27) notes this danger in California, arguing that if the state's community colleges are to fulfill their potential as catalysts of local economic development, they must be freed of regulatory and legislative micromanagement.

Finally, special purpose contracts should not expect more out of the community college than the institution can deliver. Gottschalk's (1977, p. 9) observation that community colleges "provide the educational component of solutions to social problems" is a useful rule of thumb, suggesting that contracted funds will yield the greatest return when targeted to educational services. At the most, community colleges might serve as brokers, funneling funds to community-based organizations for noneducative services. But success in this role presupposes minimal political conflict between CBO's and community colleges. This conflict is rarely discussed by those calling on community colleges to coordinate government social welfare programs.

Balancing Means and Ends in a Multipurpose College

Though each can be discussed separately, the flexible, scholastic, and social service philosophies are thoroughly intertwined in today's community college as it serves the diverse constituency of mass higher education. The flexible institution, evident in and encouraged by enrollment-driven subsidies, benefits occasional learners. The more prescriptive scholastic institution, evident in curriculum structures outlined in college catalogs (and tacitly supported by state policies that allow funding for enrollment in credit programs only), recognizes the needs of degree-bound students. The social service agency, evident in the growing use of special purpose contracts that involve colleges in social and economic development programs, recognizes the needs of displaced workers, public aid recipients and others who can profit from a coordinated, "one-stop" approach to the receipt of government subsidized education and training benefits.

But it is hard to see how the three can be combined in ways that allow each to flourish to its full potential (Cohen & Brawer, 1989, pp. 277-78). College funding mechanisms necessarily represent a trade off (by default or design) between the benefits of the flexible, scholastic, and social service institutions. For example, the benefits derived from citizen opportunity to engage in occasional learning are diminished to the extent that colleges introduce matriculation policies or other initiatives that stress sequenced learning and degree completion. Similarly, increased use of special purpose contracts that involve community colleges in economic development programs divert at least some administrative attention away from more traditional service areas.

As the public seeks ever greater returns on its investment, it is appropriate to ask how the lost opportunities inherent in these trade-offs can be minimized. One potential answer lies in the argument that these lost opportunities are (in aggregate) the inevitable cost of a greater good: the presence of a community-based institution that can meet local needs as they change over time. Efficiencies are maximized through administrative judgements that, based on study of these needs, offer the most appropriate mix of the flexible, scholastic, and social service approaches.

Another answer, however, lies in the conviction that the attempt to mix educational functions is inherently wasteful and that the community college must be fundamentally changed. Eaton's (1994) call for a collegiate emphasis is an example. She would concentrate community college efforts on postsecondary degree programming, leaving remedial education, workforce development and other noncollegiate functions to other agencies that are more capable of carrying out these ends; the colleges would be funded accordingly with the goal of maximizing the efficiencies and benefits of the scholastic institution. Cohen and Brawer (1989) offer a compromise approach, maintaining institutional comprehensiveness but insisting on clear fiscal and administrative divisions within the college that separate units with different educational functions. For example, the unit serving degree-seeking students would be separate from the unit serving ad hoc learners; each unit would be funded separately, because each takes on an entirely different task for students pursing different ends.

These answers imply a more reasoned, means-ends approach to funding than is usually the case in the public arena. Cohen (1993, p. 74) has correctly observed that "As always, the nature of college services is driven less by intramural educational philosophy than by the ability to sustain revenues." It remains to be seen whether the contemporary period of consolidation and fiscal parsimony will lead to decisions that are driven more by considered debate about institutional purpose than by fiscal opportunism.

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Table 1

Current Fund Revenues per Full-Time Equivalent Student (in 1994 Constant Dollars) at Public Two-Year Colleges, by Type of Revenue Source: Academic Years Ending 1977 Through 1992

Academic year ending	Total	Tuition & fees	Federal approp-riations	State and local approp-riations	Federal grants & contracts	State and local grants & contracts	Private gifts	Endow-ment	Sales & services of educ'l activities
1977	$5,727	$962	$114	$4,153	$330	$ 112	$29	$4	$23
1978	5,744	925	102	4,212	317	132	28	3	24
1979	5,864	928	114	4,262	353	146	27	4	30
1980	5,790	933	78	4,201	365	151	27	5	30
1981	5,516	928	68	3,957	345	154	27	6	31
1982	5,454	980	59	3,911	285	156	29	6	27
1983	5,109	985	41	3,650	221	148	29	7	27
1984	5,243	1,023	45	3,725	229	154	31	8	28
1985	5,719	1,091	43	4,055	265	194	35	8	28
1986	5,981	1,111	37	4,268	268	218	38	8	34
1987	6,059	1,121	45	4,269	251	292	39	9	35
1988	5,905	1,105	43	4,163	240	275	42	5	31
1989	6,052	1,155	40	4,159	254	361	48	6	30
1990	5,904	1,157	39	3,997	249	373	51	6	32
1991	5,891	1,206	41	3,971	246	336	53	6	31
1992	5,743	1,269	48	3,743	260	331	56	5	31

Source: Smith, T.M., Perie, M., Alsalam, N., Mahoney, R.P., Bae, Y., & Young, B.A., 1995, p. 407