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# How Obama's \$12-Billion Could Change 2-Year Colleges

**An in-depth look at ways the president's proposal might play out**

By KARIN FISCHER and MARC PARRY

Warren, Mich.

There was near-universal praise last week as President Obama announced a plan to spend an unprecedented \$12-billion over 10 years to improve programs, courses, and facilities at community colleges. The money, the president said, will position two-year institutions to produce five million more graduates over the next decade and to play a leading role in rebuilding the economy.

But after the dazzle of the dollars dims — along with the novelty of the presidential spotlight on what even Mr. Obama called the "stepchild of the higher-education system" — many questions will remain: How will the grants be awarded? Can the administration ensure that community colleges will, as the president proposes, help workers learn the "skills they need to fill the jobs of the future," instead of preparing them for professions of the past? And is a brand-new grant program the most effective way of achieving Mr. Obama's ambitious goals?

After all, Mr. Obama's proposal is just that, a proposal, and how the measure, which was included in a broader higher-education bill introduced the day after the president's announcement, takes shape as it moves through the legislative process will very likely determine its efficacy.

"You've got to go from a strong vision to strong practical application," said Steven L. Johnson, president of Sinclair Community College, in Ohio. "The sentiment is correct, but how do you deliver?"

At Macomb Community College, in this Detroit suburb, students and professors thrilled at the president's choice of their campus as the backdrop for what many called a historic announcement. But Macomb's challenges, in a region that made its own history recently with the bankruptcies of General Motors and Chrysler, in many ways mirror those broadly facing community colleges in today's faltering economy.

Just ask Arthur W. Knapp. Over eggs and home fries at Andrea's Garden, a diner across the street from the campus, the professor of electronic-engineering technology recited the now-customary phone calls he gets from unemployed refugees of those companies looking for retraining. Mr. Knapp said he tried to be optimistic, even in the face of the inevitable and painful question: "Where am I going to get a job?"

## **Jolts to the Economy**

Mr. Obama clearly means for the proposal to provide an economic jolt. Indeed, many national news outlets

covered the speech as a major economic, rather than education, announcement.

The magnitude of that impact, say experts on higher education and work-force development, will depend on the types of job-training programs the effort supports.

"All degrees and certificates are not created equal," said Julian L. Alssid, executive director of the Workforce Strategy Center, a research group in New York. The final legislation, Mr. Alssid said, should stress that such training must be done in concert with broader efforts to spur regional economic growth and create well-paying, lasting jobs. It does little good to prepare a work force if there is no work, or to shunt the recently laid-off into low-skilled jobs that offer little security, he said.

But in Michigan, many students talked about how you go to college now for hope, not for a firm job guarantee.

Pamela M. Shropshire, a former pastry chef who is studying at Macomb for a career as a clinical therapist, said her three children all plan to live outside of Michigan after college.

"And if things don't get better," she said, "once I'm done with school, I may have to consider moving away from Michigan as well."

Stories like Ms. Shropshire's lead some critics to question whether the president's emphasis on using community colleges as a vehicle for worker retraining is well placed.

Neal P. McCluskey, associate director of the Center for Educational Freedom at the Cato Institute, a libertarian research organization, argues it makes more sense for employers to do their own on-the-job training rather than leave it to community colleges to try to forecast what skills businesses will need.

Eugene W. Hickok, a former deputy secretary of education under President Bush, said that while he welcomed the increased attention on community colleges, he was disappointed that the proposal did not also include for-profit institutions, which increasingly provide education and job training. "It's short-sighted not to include that rapidly growing sector," Mr. Hickok said.

### **Tough Problems, Creative Solutions**

Aside from seeding better connections with the business community, the bulk of the money Mr. Obama proposed is for a pair of new grant programs for states and two-year institutions to test promising programs and practices, including those meant to improve student learning and training, increase completion rates, and better track student progress.

Issues like retention and remediation are not easy ones to wrestle with, as community-college leaders well know. James Rose, chair of the National Council of State Directors of Community Colleges, said that in some states, as many as 70 percent of community-college students must take at least one remedial-education course.

"We have great capacity for open access, for getting them in," said Mr. Rose, who also is executive director of the Wyoming Community College Commission. "The challenge for us is getting them across the stage to get their certificate or diploma."

The Obama administration has pointedly refrained from singling out particular programs as models of those that would receive support from the new grants. Robert M. Shireman, deputy under secretary of education, said last week that the administration did not want to be in the position of "micromanaging."

"We want folks to get creative, and to look at situations and figure out how to get people to the finish line,"

Mr. Shireman said.

Still, the administration has identified several promising approaches. Louisiana's performance-based scholarship program, for instance, allows residents who meet grade-point average and standardized-testing requirements to attend the state's public colleges at little or no cost.

At Kingsborough Community College of the City University of New York, more than half of new students enroll in the learning-communities program, in which two dozen students take three classes together: an English class, a required general-education class, and a study-skills class. "That reinforces the learning in both areas," said the college's president, Regina S. Peruggi, who credits the institution's seven-percentage-point increase in its graduation rate over last year to the program.

Perhaps one of the most significant outstanding questions is how the grants will be awarded. A spokesman for the president, Shin Inouye, said only that the grants would be competitive among both states and individual colleges, and that the administration would work with Congress to complete the details.

While the \$9-billion price tag sounds substantial, observers caution that spread over 10 years, 50 states, and more than 1,000 colleges, it would stretch only so far. Grantees will need to show that they have not only the best programs, said David A. Longanecker, president of the Western Interstate Commission for Higher Education, but also the best programs for the money.

Washington veterans also warn that this, like any grant program, could be vulnerable to legislation from Congress that directs which institutions should receive the funds. "Anytime you create a new discretionary program, you have the possibility that someone will want to earmark some or all of the funds," said Terry W. Hartle, senior vice president for government and public affairs at the American Council on Education.

### **Infrastructure and Online Education**

Also included in Mr. Obama's proposal is a \$2.5-billion fund "to catalyze \$10-billion in community-college facility investments," money that can be used to pay the interest on debt, create state revolving-loan funds, and kick-start capital campaigns. Whether colleges can have success raising funds or issuing bonds in the current economic climate, however, is unclear.

Many questions also remain unanswered about the president's proposal to spend \$500-million to develop online education. The administration has described the support as "seed funding," saying "teams of experts" would develop open courses that would then be shared and potentially modified. Various federal agencies are supposed to collaborate on making the courses "freely available through one or more community colleges and the Defense Department's distributed learning network."

Mr. Shireman said the federal government would not own the courses. Rather, as a condition of the grants, the material would be in the public domain "so it could be used for free by anyone," he said.

One lobbyist briefed on the proposals expects that a range of nonprofit and for-profit entities would be able to apply. It's unclear exactly how delivery of the courses would work, how credit might be awarded, and whether the courses created might compete with existing online offerings at community colleges, which already enroll many online students.

One source of the administration's interest in this area may be Martha J. Kanter's experience with open materials as chancellor of the Foothill-De Anza Community College District, in California. Ms. Kanter, now under secretary of education, led Foothill while it undertook a pilot project, backed by the William and Flora Hewlett Foundation, to promote the free sharing of community-college-level course materials on the Internet. Eight complete courses were published, and the material has since been "widely adopted," says Vivie Sinou, who led the project, known as the Sofia initiative.

Ultimately, one application of the online material produced may be remedial education for either high-school or college students, said Sally Johnstone, provost at Winona State University and a longtime participant in the open-education movement. For example, she said, a university with 300 people who needed a certain remedial course — say, pre-college algebra — could draw on the open materials.

## Political Calculations

While President Obama has set the broad parameters for the measure, it is now up to members of Congress to determine its final shape. The community-college provisions were included in broader higher-education legislation to overhaul student lending and make other changes in student-aid policy introduced last week.

That bill, however, is not without controversy, most notably surrounding a plan by the president to end the bank-based guaranteed-loan program. Indeed, funds for the community-college effort are contingent on the lending changes, which the administration says will free up billions of dollars.

Whether Mr. Obama, who also faces tough fights over his proposals on health care and climate change, is prepared to play political hardball on higher education remains to be seen.

Already, there are signs that the proposal is not welcomed by all higher-education groups. In a letter to member colleges, David L. Warren, president of the National Association of Independent Colleges and Universities, wrote that while the administration's recognition of the role of community colleges is "appropriate ... there are some disturbing signs that enthusiasm for expanding their role may drive policy decisions that are both unfair and unwise."

In addition, Mr. Warren expressed concern that the community-college proposal could draw resources away from the Pell Grant, the federal need-based student-aid program. The president has proposed making Pell Grants an entitlement, removing financing decisions from the annual appropriations process, and tying the maximum award to a measure of inflation.

Privately, some community-college leaders say expanding the Pell Grant could actually be a more effective means of improving college access and increasing the number of skilled workers because it would enable more needy students to attend college.

Publicly, though, the colleges, and their backers, are enjoying their moment in the sun. "This is the first president," said Stephen G. Katsinas, director of the Education Policy Center at the University of Alabama, "who gets it."

*Marc Parry reported from Warren, Mich. Karin Fischer reported from Washington, and Jeffrey J. Selingo and Austin Wright contributed from Washington.*

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