NEW AMERICA

Building More On-Ramps to the Middle Class and Beyond:
Best Practices in Community College Career Education

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Thank you to Chairman Aderholt, Ranking Member DeLauro, and members of the Committee for the honor of speaking with you today on this important topic of community colleges, innovations in career education, and pathways into the middle class.

My name is Mary Alice McCarthy and I direct the Center on Education and Labor at New America. The Center is dedicated to strengthening pathways into the middle class that do not pass through traditional higher education. In a time of rising income inequality, it is imperative that we find ways to shore up economic opportunities for all Americans, most especially for the more than 60 percent who do not have a bachelor's degree. Community colleges are and will continue to be central to those efforts. Thank you for the opportunity to share some ideas with you on how we can both leverage and better resource our community college system to build a thriving middle class.

The Community's College

Our country's national network of over 1,000 community and technical colleges serve more than 12 million students each year, over 40 percent of all undergraduates. They operate in small towns and large cities across the country, providing local residents a wide range of affordable postsecondary educational offerings while also supporting the economic and workforce development needs of their communities.

Community colleges are the most diverse institutions of higher education, mirroring the growing diversity of the communities they serve.[1] They serve the largest share of first-generation college-goers[2] as well as a large share (47 percent) of low-income students.[3] Millions of students begin their journey to a bachelor's degree at their local community college, and millions more complete occupationally-focused certificate and associate degree programs that allow them to start their career without having to earn a bachelor's.

Despite their critical role in providing an affordable and widely accessible entry point into postsecondary education, community colleges remain significantly underfunded relative to their higher education peers and relative to their critical and comprehensive mission.[4] In particular, the career and technical education (CTE) programs that are so essential to providing pathways into the middle class that do not require a four-year degree are extremely under-resourced. These programs are often more expensive to operate (due to requirements like labs, equipment, and staffing) than traditional academic programs and require more external partnerships to reach their full potential, which, in turn, require resources to build and sustain.[5]

Building More Pathways to the Middle Class

The growing gap in the economic well-being of people with and without a bachelor's degree is harming our nation's democracy, economy, and communities. The best way to close that gap is to build more pathways into the middle class. High-quality career and technical education programs at community colleges that are responsive to local economic needs should be at the center of those efforts.

The widening income gap between bachelor's degree holders and others, while real, can create the impression that the only path to economic security is through four-year college. Indeed, an unintended consequence of the "college for all" push of the last several decades has been an under-appreciation of other routes to economic security and too little emphasis on strengthening and expanding them. But the fact is that there are still many good jobs that do not require a bachelor's degree, and community colleges play a critical role in providing access to them.

Recent work by the Federal Reserve Banks of Atlanta and Cleveland can help community colleges align their CTE programs with good jobs.[6] Using a variety of public and private data sources, the Banks have identified a class of "opportunity occupations," which they define as jobs that pay above the average median wage but do not require a bachelor's degree.[7] Their "opportunity occupations monitor" measures the share of opportunity occupations in a given metropolitan area. For example, in St. Louis, Missouri, 32 percent of local jobs are opportunity occupations; in northern Alabama it is 28 percent; in Hartford, CT, 33 percent. In short, every community has a healthy share of occupations that pay at or above the local median wage and do not require a bachelor's degree. Community colleges can prepare students for those occupations - and we need to invest in them to do just that.

But we also need to expand the share of jobs that are opportunity occupations well beyond the 25-35 percent range that exists now - and a number of innovative community colleges are leading the way. Some are working with local employers to adopt skills-based hiring strategies which expand the pool of potential candidates for a job by replacing degree requirements for an open position with clear descriptions of the skills and competencies necessary to do that job.[8] Too many jobs today are walled off behind bachelor degree requirements that keep out candidates who may well have the necessary skills and experience.[9]

Even more promising for expanding the range of opportunities for community college students are recent investments in science and technology development that are integrating community colleges into regional innovation economies. The National Science Foundation's (NSF) "Regional Innovation Engines" investments aim to accelerate the[10] development of key technologies through consortiums of universities, technology companies, economic and workforce development agencies, and community colleges. Historically, community colleges have not been included in these types of federal science and technology investments. Each of the 10 NSF Engines include community colleges that are at the table with other partners and charged with developing programs for emerging occupations and building the pathways into them.

NSF is also working with community colleges to develop programs in artificial intelligence and quantum computing through the National Applied Artificial Intelligence Consortium, led by Miami-Dade College, Houston Community College, and Maricopa Community College.[11] The Department of Commerce's Regional Technology and Innovation Hubs (Tech Hubs) grants are similarly designed to give community college students a front

door into good jobs in the tech economy.[12] These investments are all examples of how we can expand pathways into the middle class well beyond what exists today.

Tackling the Completion Challenge: Five Evidence-Based Practices

No matter how good the offerings at a community college, if students cannot complete their programs, they will be of little help in expanding pathways to the middle class. In 2024, about 43 percent of community college students completed their associate degrees in six years.[13] There are many reasons that completion rates at community colleges are low compared to their four-year counterparts, not all of which point to any failure on the part of the college. These institutions are open access and highly affordable. Many students enroll in courses to explore their options or pick up some specific skills, without the intention of completing a degree.[14]

That said, over the last decade, the sector has taken the completion challenge head on and made significant efforts to improve the completion rates of students who do wish to earn a degree. Indeed, we have a growing body of evidence on what works for helping community college students complete their degree. Here are five of those strategies:

Data-Driven Strategies

Few innovations have had a greater impact on how community colleges operate than choosing to embrace data-driven approaches to identifying gaps in student progress. For many decades, colleges lacked detailed information about which students were getting stuck and when and why they were dropping out. They also lacked specifics on achievement gaps between different groups of students based on race, ethnicity, sex, socio-economic status, or enrollment intensity. The data that were collected were often used

more for reporting and compliance purposes than internal learning and institutional improvement.

Today, many colleges have developed sophisticated institutional data systems that allow them to analyze student progression and performance at a granular level and to identify the points at which students are particularly vulnerable to stop out and identify trends in student achievement or decision-making. This "data mindset", in turn, provides foundation for college leaders to develop new advising models, course sequences, and program offerings - and those reforms are generating better student outcomes.[15]

Industry and Sectoral Partnerships

A growing body of evidence indicates that when community colleges partner with local industry they can better align their career and technical education (CTE) with the needs of employers which, in turn, leads to higher employment outcomes for their students. Sectoral partnerships bring together multiple employers in a specific industry sector to assess their shared talent development needs and work with local education providers and workforce and economic development agencies to meet them.

Los Alamos Community Colleges in Texas has one of the most successful sectoral partnerships in the country. Working with Project Quest[16], a local intermediary organization that has organized health care employers across the region, the college provides pathways into entry-level health care positions that are family-sustaining. Multiple evaluations of the partnership have found that it has generated enduring positive employment and earnings outcomes for graduates that far exceed the outcome from other education providers. Other rigorous evaluations of sector strategies have also found consistently positive impacts on employment outcomes for program graduates.

Career Pathways

With hundreds of different course offerings, majors, credentialing opportunities, financial aid programs, student services, and more, students can get lost in the many options available to them or be unaware of potential support. They may also struggle to know exactly which courses they need and end up paying for more than necessary.[17]

Career pathways strategies - also called guided pathways[18] - provide students with structured programs of study in which courses are clearly sequenced and students know exactly when to enroll in specific courses and where they are on their path toward graduation. These structured pathways take the guesswork out of course selection and minimize the risk of students taking courses that will not transfer to a four-year institution or delay their graduation.

There is a growing body of evidence that these more structured programs that include access to advising and other supports, significantly improve graduation rates. The Accelerated Study in Associate Programs (ASAP) program developed by the City University of New York (CUNY), for example, has been successful at moving students from developmental courses into and through associate degree programs in three years.[19] An experimental evaluation that began in 2009 showed that ASAP nearly doubled graduation rates. Those early studies have been replicated and found similar results.[20]

Student Supports

Community college students are less likely to complete their programs because many of them are facing a host of financial and practical challenges to staying in school. More than 80 percent of community college students work in addition to studying; nearly 43 percent have full-time jobs.[21] Two out of ten community college students are parents to

young children, and more than half of parenting students are also working full-time.[22] Many other students are primary caregivers to parents or grandparents. Community college students are also more likely to come from low-income households that may struggle to cover the costs of basic needs - housing, transportation, food, and health care.

Each of these factors contribute to the lower completion rates at community college. Students who study part time and/or work full-time are significantly less likely to graduate than students who take a full course load each semester. The financial precarity of many students means that relatively small unanticipated costs, such as a car repair or rent increase, can force them to stop out their studies which, again, reduces completion rates.

Over the last decade, a growing number of community colleges have implemented a wide range of services designed to meet the basic economic needs of their students. Holistic student support strategies, for example, recognize the importance of understanding the specific needs of individual students across a range of both academic and personal domains - and of training college advising staff in how to identify those needs.[23] Dallas College's Student Care Network, for example, connects students to a wide range of support services from enrollment through graduation including rental assistance, emergency housing, mental health counsel-ing and on-campus child care.[24] Broward College in Florida has gone a step further with its Broward UP program, which brings the college into the neighborhoods from which the fewest number of students were enrolling, making courses available through local community-based organizations.[25] A growing body of research shows that student parents who are supported by their community colleges are more likely to graduate.[26]

There is a growing body of evidence that holistic approaches to student services are paying off in the form of greater persistence and higher graduation rates. It is one of the most promising areas for expansion and additional research.

Earn and Learn Models

As routes to economic security have narrowed, one that remains strong is Registered Apprenticeship. These programs have all of the components of high-quality career education - they are demand-driven, based on partnerships with employers, provide a highly structured pathway to a good job, and include supports like mentorship and, most importantly, the opportunity to earn while learning. An effectiveness assessment by Mathematica found significant and long-lasting earnings gains—more than $200,000 over the course of their careers—for individuals who completed a Registered Apprenticeship program compared to workers in the same occupation who were trained through other means. According to the study, nine years after completing their Registered Apprenticeship program, participants made, on average, $5,830 more than their peers. No other workforce development system, program, or strategy comes close to generating these positive and sustained returns.[27]

Federal and state efforts to expand apprenticeship into industries beyond the building trades and across more communities have been underway for over a decade with strong bipartisan support. These investments have helped community colleges build their capacity to deliver apprenticeships programs and integrate them with their credit-bearing degree programs, allowing an individual to be an apprentice and a college student at the same time.[28]Community colleges have also found other ways to build earn-learn opportunities for students, through paid internships that are connected to a student's

program of study and creative uses of federal work study. But much of this work is in early stages; more investment is needed.

The Need for More Federal Investment in High-Quality Career Education

In a time of profound polarization, support for building more pathways into the middle class that do not require a bachelor's degree remains broadly shared. Strengthening the middle class and expanding opportunities for young people to move into rewarding and family-sustaining careers is not a partisan issue. But building those pathways takes resources. The evidence-based strategies I have shared with you for how community colleges can build pathways into the middle class for their students are straightforward, but they take effort and require resources to create, develop, and sustain.

There are many ways through which the federal government can target more resources toward these highly effective strategies. Here are four:

1. ***Triple funding for the Strengthening Career and Technical Education Act (Perkins V)***.

Our federal career and technical education system provides resources to community colleges to carry out all of the evidence-based practices highlighted earlier. Colleges use Perkins funds to improve their data systems, engage employers, hire advisors and career navigators, and develop work-based learning opportunities, among other things. But Perkins is vastly underfunded. In 2024, Congress appropriated $1.4 billion for Perkins state formula grants, which fund CTE at both high schools and community colleges. That comes to less than $700 million per year spread across more than 1,100 community colleges. What's more, the 2024 funding level is less than half of what we invested in CTE 20 years ago. If we simply restored the 2003 funding level, we would spend $2.2 billion on our CTE

system.[29] But even that is not enough given the urgency of building more pathways to the middle class that do not require a bachelor's degree. Tripling our investment in Perkins would still only cost $4 billion, far less than other advanced economies invest in their career education systems.

2. ***Fund the Strengthening Community Colleges Training Grants Program***

The Strengthening Community Colleges Training Grants program,[30] which Congress authorized in 2020, has been an invaluable source of support for colleges to create the sectoral partnerships and career pathway programs discussed earlier. Building on the success of the Trade Act Assistance Community College Training Grants program, which a meta-analysis[31] found to have increased completion and employment rates among participants, these grants have allowed colleges to develop new sectoral partnerships and career pathways programs they otherwise would not.

There have been five rounds of Strengthening Community Colleges grants, but they still have only reached 270 community colleges - and not for lack of demand from the colleges. These grants are also providing a foundation for embedding evidence-based practices and extending new technical assistance tools to community colleges. For example, the most recent round of grants required colleges to show how they would ensure that their career pathways were leading to good jobs (i.e., those that pay living wages and provide some benefits) and pointed the colleges toward the opportunity occupations monitor tool developed by the Federal Reserve. Continued funding for this well-targeted grant program will allow more colleges the opportunity to develop and implement high quality career pathways for their students and expand our understanding of what makes for high-quality programs.

3. ***Fully fund the Regional Innovation Engines and Tech Hubs.***

Each of the 10 sites funded by NSF as Regional Innovation Engines is authorized to receive up to $160 million to support these first of their kind regional coalitions of researchers, universities, community colleges, and private companies. These investments represent a tremendous opportunity to integrate community colleges fully into regional technology-based economic development efforts moving forward and to expand the range of opportunity occupations for students at community colleges. A commitment to continued funding will help all the partners in each Engine make the most of this historic investment. The same is true for the Regional Technology and Innovation Hubs (Tech Hubs) administered through the Department of Commerce.

4. ***Continue investing in Registered Apprenticeship expansion***.

Since 2015, consecutive administrations and Congresses have invested in expanding our national apprenticeship system into new industries. The *Bipartisan Infrastructure Law* and *CHIPS and Science Act* also included tax credits and other incentives for federal contractors to use Registered Apprenticeship. These efforts have been paying off as apprenticeships are emerging across the country and in many new sectors, such as teaching, health care, finance, and information technology. These investments should continue. Congress should explore opportunities to create more consistent funding to states to support Registered Apprenticeship through authorizing a formula grant program under the *National Apprenticeship Act* and administered by the Office of Apprenticeship at the U.S. Department of Labor.

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

[1] For detailed information on community college demographics, see Community College FAQ's from the Community College Research Center at Columbia University: https://ccrc.tc.columbia.edu/community-college-faqs.html.

[2] See Lumina Foundation brief: "First Generation College Students": https://www.luminafoundation.org/topics/todays-students/first-generation-students/#:~:text=First%2Dgeneration%20students%20are%20likelier,options%20for%20first%2Dgen%20students.

[3] See "Race and Ethnicity in Higher Education": https://www.equityinhighered.org/wp-content/uploads/2019/11/Low-Income-Students-Brief-final.pdf

[4] See "Public Funding for Community Colleges", Community College Research Center, Columbia University: https://ccrc.tc.columbia.edu/publications/public-funding-community-colleges.html

[5] See "It All Adds Up: Why and How to Measure the Cost of Career & Technical Education from IES: https://ies.ed.gov/blogs/research/post/it-all-adds-up-why-and-how-to-measure-the-cost-of-career-and-technical-education#:~:text=Due%20to%20additional%2C%20non%2Dstandard,resources%20needed%20in%20regular%20classrooms.

[6] See the Opportunities Occupations Monitor: https://www.atlantafed.org/cweo/data-tools/opportunity-occupations-monitor

[7] See here for data sources for the opportunity occupation explorer: https://www.philadelphiafed.org/surveys-and-data/community-development-data/occupational-mobility-explorer#about-the-data.

[8] See "Skills Based Hiring" from ACCT: https://www.acct.org/center-for-policy-practice/skills-based-hiring

[9] Pierce, Dennis. "Skills Not Frills: A Shift in Hiring Could Raise the Value of Community Colleges" Community College Journal, V.93, 2023: https://eric.ed.gov/?id=EJ1374644.

[10]

[11] See https://www.mdc.edu/naaic/.

[12] See "Colleges Are Featured in 12 Tech Hubs Awarded $504 From Fed", *Forbes*: https://www.forbes.com/sites/michaeltnietzel/2024/07/02/colleges-are-featured-in-12-tech-hubs-awarded-504-million-from-feds/.

[13] See https://nscresearchcenter.org/yearly-progress-and-completion/. At public four-year universities, the bachelor's degree complete rate in six years was over 70 percent.

[14] See here for information on "skills-builders" - students who purposefully take a few courses at a community college: https://economic-mobility.wested.org/project/skills-builders/.

[15] See "A New Data Mindset: Creating Equitable Student Outcomes and Vibrant Communities" *EDUCAUSE*: https://er.educause.edu/articles/2024/2/a-new-data-mindset-creating-equitable-student-outcomes-and-vibrant-communities.

[16] See .https://questsa.org/

[17] See "Using Data Mining to Explore Why Community College Students Earn Bachelor's Degrees with Excess Credits", Community College Research Center, Columbia University: https://ccrc.tc.columbia.edu/publications/using-data-mining-explore-why-community-college-transfer-students-earn-bachelors-degrees-excess-credits.html.

[18] See https://ccrc.tc.columbia.edu/research/guided-pathways.html.

[19] See "Accelerated Study in Associate Pathways: Fast Facts: https://www.cuny.edu/wp-content/uploads/sites/4/page-assets/about/administration/offices/student-success-initiatives/asap/evaluation/CUNY-ASAP-and-ACE-Fast-Facts_April-2024_WebFinal.pdf.

[20] See MDRC study "Increasing Community College Graduation Rates: A Synthesis of Findings on the ASAP Model from Six Colleges Across Two States": https://www.mdrc.org/work/publications/increasing-community-college-graduation-rates.

[21] See Community College FAQs: https://ccrc.tc.columbia.edu/community-college-faqs.html.

[22] See Spark Collective: https://studentparentaction.org/assets/r-file/2-Undergraduate-Student-Parents-at-Community_final.pdf.
[23] See "Holistic Student Supports", Achieving the Dream: https://achievingthedream.org/areas-of-expertise/holistic-student-supports/.
[24] See "The Role of Community Colleges in Connecting Students to Careers: https://www.aecf.org/blog/the-role-of-community-college-in-connecting-students-to-careers.
[25] https://www.broward.edu/browardup/.
[26] See "Student Parents Who Persist with Community Colleges Are More Likely to Get Help From Their Schools" https://www.newamerica.org/education-policy/edcentral/basic-supports-increase-retention-of-student-parents/.
[27] See "An Effectiveness Assessment and Cost Benefit Analysis of Registered Apprenticeship in 10 States: https://www.mathematica.org/publications/an-effectiveness-assessment-and-costbenefit-analysis-of-registered-apprenticeship-in-10-states.
[28] See Community College and Apprenticeship: The Promise, the Challenges: https://www.newamerica.org/education-policy/reports/community-colleges-and-apprenticeship-the-promise-the-challenge/.
[29]See https://www.govinfo.gov/content/pkg/PLAW-108publ7/pdf/PLAW-108publ7.pdf. See also https://careertech.org/wp-content/uploads/2023/09/Perkins_CTE_Funding_Chart_2_2023.pdf.
[30] See https://www.dol.gov/agencies/eta/skills-training-grants/scc.
[31] See "Estimating the Impact of the Nation's Largest Single Investment in Community Colleges": https://www.newamerica.org/education-policy/reports/estimating-impact-taaccct/.