



SallieMae

NEWS RELEASE

FOR IMMEDIATE RELEASE

Contact:

Beth Guerard
703/984-5621
beth.guerard@salliemae.com

Lack of State and Local Funding is the Biggest Challenge Facing U.S. Community Colleges
New National Study of Community College Presidents Cites Student Retention Among Other Top Concerns

Washington, D.C., April 21, 2006—Presidents and other key leaders of American community colleges are confident that their institutions provide students with a high-quality education, but a majority (58 percent) consider a lack of state and local funding their single most important challenge, according to a study administered by the independent research firm Rockbridge Associates, in cooperation with education funding leader Sallie Mae and the American Association of Community Colleges (AACC), which represents close to 95 percent of all accredited U.S. community colleges.

Community college enrollments continue to grow at a rapid pace. The AACC estimates that about 11.6 million students currently attend one of the nation's 1,200 community, junior and technical colleges. These students make up an estimated 45 percent of all undergraduates enrolled in the U.S. "Community Colleges Today: The Presidents Speak" polled 251 top-level community college executives (88 percent of whom were college presidents) in March of this year and examined the experiences and opinions of these officials.

"Community colleges are facing many of the same issues confronting institutions of higher education across the country and across the world," said Dr. George Boggs, president of AACC. "But because the basic mission of community colleges is to provide affordable education to the citizenry of a particular region—not just to those who meet certain academic qualifications—these institutions also encounter additional challenges, such as high levels of transfers, an increased need for remediation among incoming students, and elevated numbers of minority, low-income, and non-English proficient students."

The survey also found that the overwhelming majority—80 percent—of respondents consider retaining students until graduation to be a "major" challenge, and more institutions expect the problem to grow in the future (45 percent) than diminish (25 percent).

Community colleges are employing a variety of strategies to deal with the retention challenge. Almost all respondents report engaging in strategies such as tutoring (99 percent), academic counseling (99 percent), orientation (94 percent), and personal counseling (86 percent). A large group (71 percent) of respondents report using financial aid as a retention strategy; of those not currently using financial aid to increase retention, 15 percent report plans to do so in the future.

"When considering retention it is important to remember that these institutions fill many diverse needs in the community, and sometimes students enroll in courses at their local community college as a refresher or for professional development, and never intend to graduate with a degree," said Dr. Robert G. Templin Jr., president of the Northern Virginia Community College. "What we never want to see is a student dropping out

(MORE)

based on a lack of financial resources—and that is why a commitment from the state and federal government to support community colleges is so very important.”

The study addressed a number of other areas of concern for community colleges, among them:

- Despite concerns about retention and completion, almost half (43 percent) of respondents generally do not consider “performance-based funding”—which ties funding to quantitative goals such as rates of transfer to four-year schools and job placement—to be reasonable. Only one in ten consider performance-based funding, as defined above, to be a “very reasonable” idea.
- The majority of those polled (61 percent) believe it likely that they will be able to maintain affordability in the future, but 39 percent said it was either “very” or “somewhat” unlikely that they could maintain affordability for economically challenged students in the future.
- Anticipating the rise of the “minority majority” around the country, only 16 percent said they are “highly prepared” for this demographic shift to a larger minority population at community colleges. Fifty-seven percent said they were “somewhat prepared.”
- One-third of respondents perceived an “enrollment gap” on their campus, wherein minority students are less likely than their non-minority peers to enroll in college. But most of those respondents do not see the gap worsening: 39 percent believe the gap will shrink, and 32 percent believe it will remain unchanged, despite increasing minority enrollment.
- Community colleges are leading the pack in terms of distance education. Nearly all—98 percent—of respondents reported offering online courses, and 94 percent of those say they plan to expand current offerings. Insufficient funding was the most commonly cited obstacle to establishing or growing online course offerings.

The survey sample consisted of senior college executives who are members of AACC; 88 percent were college presidents. The survey was conducted online and via telephone from Feb. 23 to March 15, 2006. The margin of error is plus or minus 6 percentage points. “Community Colleges Today: The Presidents Speak” can be accessed online in PDF format, at http://www.salliemae.com/ccsolutions/cc_report.pdf.

SLM Corporation (NYSE: SLM), commonly known as Sallie Mae, is the nation’s leading provider of education funding, managing nearly \$127 billion in student loans for 9 million borrowers. Sallie Mae was originally created in 1972 as a government-sponsored entity (GSE) and terminated its ties to the federal government in 2004. The company remains the country’s largest originator of federally insured student loans. Through its specialized subsidiaries and divisions, Sallie Mae also provides debt management services as well as business and technical products to a range of business clients, including colleges, universities and loan guarantors. More information is available at www.SallieMae.com. SLM Corporation and its subsidiaries are not sponsored by or agencies of the United States of America.

The American Association of Community Colleges (AACC), founded in 1920, has become the leading proponent and the national “voice for community colleges.” Today, AACC’s membership represents close to 95 percent of all accredited U.S. two-year community, junior and technical colleges, as well as a growing number of international members. AACC is the primary advocacy organization for community colleges at the national level and works closely with directors of state offices to inform and affect state policy. The non-profit AACC supports and promotes its member colleges through policy initiatives, innovative programs, research and information and strategic outreach to business and industry and the national news media. More information is available at www.aacc.nche.edu.

Rockbridge Associates, Inc. has provided valuable insights to Fortune 500 companies, associations and government for over a decade. Rockbridge is a full-service custom market research firm that conducts qualitative and quantitative studies with consumers and businesses in the services, information and entertainment sectors. The company has responded to customers by developing

specialized tools and techniques for studying technology adoption, and by offering online research methods to complement traditional survey approaches. More information is available at www.rockresearch.com.

###