

**FUNDING AND BUDGETING IN COMMUNITY COLLEGES**

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## **Abstract**

At every national and state level there are barriers to community college success, a major impediment is cost. There are many other costs associated with higher education, including foregone earnings. Community college fees represent only five percent of the total cost of attendance. Maleshi Community College has become crucial to attaining President Obama's goal of placing the United States at the forefront of the world with respect to collegiate attainment. The President of the U.S. of America communicate that community colleges enroll more than half the undergraduate students in the country. Not only do these colleges produce workforce-related credentials and degrees in their own right but, by preparing hundreds of thousands of students to transfer, they play an important role in undergraduate degree production. When students remain in school for long periods of time, it is costly to them and the college as well. So there is a brighter side in terms of productivity, viability, and graduate output in a timely manner in relationship to cost effectiveness and efficiency.

## **Introduction**

Access to affordable higher education is critical to the future success of Americans. The rewards of federal investment in community college education include strengthening our economy and maintaining the health of our democracy. In addition, to the evident cultural and personal benefits, a college degree is worth nearly 75% more in earnings than a high school diploma, or nearly \$1 million in additional income over a lifetime in the workforce (Alabama Commission on Higher Education, 2010-2011). Since 1965, the Higher Education Act has helped students realize the dream of equal access to a college degree. However, for many students, unacceptable barriers still exist as they pursue a college education. Students are now borrowing and working more than ever before in order to pay for the costs of a higher education. Even worse, without adequate financial assistance to help cover these costs, each year 170,000

qualified students are unable to pursue higher education due to financial constraints, according to the United States Department of Education's Advisory Committee on Student Financial Assistance (2009).

Over the last three years, community colleges costs have increased while funding for critical federal student aid programs has been level-funded, decreased, or proposed for elimination entirely. The maximum Pell Grant award, which assists the neediest students in the country, is worth \$800 less in real terms than its value twenty years ago. The maximum Pell Grant award has been frozen at \$4,050 for the last three years, which amounts to a 10 percent cut in funding given inflation increases over this period (The State by State Report Card for Higher Education, 2009). Need-based aid is essential to increase college participation rates. Greater federal investment in student aid makes the difference in thousands of students' decisions each year as to whether they can afford to attend college, which in turn benefits our economy, our democracy, and our society.

The new administration under President Barack Obama has committed unprecedented investment to support the important work community colleges are doing in preparing for the 21<sup>st</sup> century economy. The announcement was made to the public concerning the first \$500 million of a \$2 billion dollars, four year investment in community colleges authorized by Congress and signed into law on March 30, 2010. This federal investment will support new state-of-the-art-education, training and skills development programs to help American re-enter the job market (The White House Summit on Community Colleges, 2010).

The purpose of this paper is to examine how Maleshi Community College (Maleshi) in Northern Alabama is funded. Also, a description of the college's budget process, analysis of the budget, review of various areas, departments, division of schools compared to past years, and

budget projections. Last, a discussion of state and national issues that have implications on Maleshi Community College's budget.

### **Maleshi Community College Funding and How**

For over 60 years, Maleshi Community College has served the community, providing educational and training opportunities across North Alabama. How is Maleshi funded? According to a report from the Alabama Community College System, Maleshi's economic impact to the community and state is substantial. The local economic impact is \$183,056,247. The statewide economic impact is \$221,821,099. Maleshi's statewide return on \$1 investment (ROI) is \$11.56, the highest among all of the state's two-year colleges. In addition, over the last few years, the college had close to \$23 million in active federal, state and local grant awards, including over \$11 million from the Department of Labor funding the WIRED/VIA initiative. Maleshi received the lowest per-student appropriation from the State of Alabama at approximately \$4,100 per full-time equivalent student. The state average is approximately \$5,200 per full-time equivalent student (Maleshi Community College, 2010).

Maleshi Community College is also funded through grants. Recently, Maleshi received \$3,470,830 from the United States Department of Labor for the Alabama Center for Excellence in Clean Energy Technology program which train students in the installation of energy efficient smart lighting and interchangeable learning labs network to train students for PV panels and solar heating and geothermal cooling systems. Other grants are the: (a) Emerging Scholars Program; (b) Upward Bound Program; (c) The WIRED initiative; and, (d) Space TEC National Resource Center for Aerospace Technical Education which provides skill-based, nationally recognized and industry utilized professional certification for U.S. Aerospace Technicians. In addition, Maleshi receives \$500,000 in foundation from Legislative Delegation resources as

money into the Maleshi Foundation for the Technology Park Project. The Maleshi Community College Foundation is building long range security for the college through scholarship, professional development, academic improvement, and endowment programs (Maleshi Community College, 2010a).

Maleshi Community College received \$172,685 (\$104,285 in regular funds and \$68,400 in American Recovery and Reinvestment Act funds). These funds are from the U.S. Department of Health Resources and Services Administration of funding for the Scholarships for Disadvantaged Students programs (Maleshi Community College, 2010b). Maleshi is also funded through government appropriations, tuition and fees, bookstore, auxiliary, federal/state/local contracts, and grants supporting academics, activities, and support units (Maleshi Community College, 2010c). To add to funding of Maleshi is major gifts, partnerships with companies, firms and corporations. For instance, Maleshi partnership with Bermuda to receive \$40.5 million in Aerospace and Advanced Technology Park and Delphi Saginaw Steering Systems were added to the list of funding. Also, perpetual scholarships from donors, designated scholarships from corporations and companies, the president's club from industry, patrons and sponsors which involves individuals, alumni and friends, sports (basketball, volleyball), tributes, memorials, in-kind donations, matching gifts, theater, science fair, partners in progress involving faculty and staff, and the community are additional to funding (Maleshi Community College, 2010c). Maleshi is also funded through grants and contracts from the United States Department of Education, United States Department of Labor, Alabama State Department of Education, National Science Foundation, and the Governor's Office Workforce Development.

## **Description of Maleshi Community College Budget Process and Budget**

(Alabama Commission of Higher Education Level for Maleshi)

Each budget unit manager is responsible for developing, preparing and submitting through channels to the Vice-President for Business and Finance, its own detailed budget request (complete with justifications) based on current documented operation plans, contracts, and approved proposals. Annual budget requests for General Unrestricted Funds should be submitted by May 31<sup>st</sup> of that year. Active input is always sought from all faculty members relative to the anticipated budgetary needs for the academic year.

Further, as prescribed by Section 16-5-9(b) of the Code of Alabama, the Alabama Commission on Community Colleges evaluates the budgets submitted by the senior public institution of higher education, and by the Chancellor of Maleshi. At the commission meeting held during the month of December, 2010, the commission decided on two sets of community college funding recommendations for Fiscal Year 2011-2012. Maleshi Community College is a part of this budget process (Alabama Commission on Higher Education [ACHE], 2010-2011).

The first recommendation, identified as the FY 2011-2012, Alabama Commission on Higher Education (ACHE) Funding Standard, is a statement of the Commission's estimate of the basic financial requirements that should be provided to support the institutions and their programs if Alabama higher education is to provide regionally competitive education to its citizens. The second recommendation, identified as the FY 2011-2012 Recommendation, provides an overall appropriation increase of approximately 13% from the Education Trust Fund for public community colleges (Alabama Commission on Higher Education, 2010-2011).

The Commission recommends a funding level of \$1,449,036,753 for all public community colleges. The first priority recommendation is based on the following: (a) each

community college institution received the un-prorated FY 2011-2012 total appropriation as its base; (b) PEEHIP rate increase and TRS retirement rate increases for two year institutions; (c) fund rate increase for mandated PEEHIP retirees' health insurance rate for public senior institutions who do not participate in PEEHIP; and, (d) funds needed to cover the requirements of Knight v. Alabama or other matching requirements should be covered. In addition, recommendations for other state wide higher education lines are: (a) other state-wide community colleges receive their un-prorated FY 2011-2012 total appropriation as their base; and, (b) additional funds for state-wide lines are appropriated.

The third priority recommendation are based on the above items, and after the above items are funded, then any additional funds for the public community colleges should be distributed based on the index of funds cut from the FY 2010-2012 appropriation to bring the appropriation back up to the FY 2009 level. Although, ACHE standard calculation was not used as the main part of this recommendation due to an understanding of the fiscal realities of the state, ACHE would like to encourage the Governor and the Legislature to recognize the ACHE standard as a model to strive for in order to continue the progress that was being made prior to FY 2010 in achieving a more balanced methodology of funding the needs of higher education. The commission approved these recommendations during the December meeting (ACHE, 2010-2011).

*Alabama Commission on Higher Education (ACHE) Funding Standard as it related to Community Colleges*

The ACHE funding standard is based on the following: (a) the institutional academic programs are the products of the commission's funding formulas for academic programs; (b) facilities renewal needs are based on the commission's formula for estimating facilities

renewal allowances and backlogs; and, (c) research and public service “line items” have been carried forward using an allocation scheme based on instructional formulas.

#### *Modified Funding Recommendations as it Relates to Community Colleges*

Recommendations for higher education in Alabama are magnified by the necessity to complete the recommendation process before firm projections are made of Educational Trust Fund (ETF) revenues and problems in resolving the gap between institutional needs and available state resources. The commission has struggled to provide a viable recommendation within the confines of expected ETF revenues (ACHE, 2010-2011).

#### *Special Circumstances of this Budget Recommendation*

It is important to note that the Commission on Higher Education continues to seek a balance between legitimate institutional needs, as reflected in the construction of the ACHE standards, and the historic gap in previous actual appropriations. If higher education received a fair share of revenues and if the political leadership uses the recommended approach for distribution among institutions, convergence of relative need and appropriations will occur. The Commission believes that the distribution incorporated in this recommendation is one of many required steps to improve community colleges process for funding in Alabama (ACHE, 2010-2011).

In addition, The Alabama Commission on Higher Education’s recommendations for the funding of community colleges is based on several types of assessment:

- A set of formulas, which relates funding needs for the academic programs of the two year institution to student credit hours, faculty productivity, and faculty salaries.
- Facilities Renewal Allowance is an estimation of the amount of money needed to provide for the aging of all building elements in a given year.
- Updated values for ongoing research and service activities and for other instructional activities which are not susceptible to “formula” determination, derived from earlier funding levels.

- Analysis of funding needs for new programs and major changes in existing programs based on estimated expenditures and revenues.

### **Analysis of Budget**

Maleshi Community College has a sound financial base, the anchor of which is the Alabama Education Trust Fund, the single largest revenue source for the institution. The community college is a state-supported institution, established by federal laws and funded by annual state legislative appropriations. Its sound financial based is underscored by the fact that between 54.6% and 59.8% of its annual general fund revenues come from the Alabama Education Trust Fund. Over the last four years, the audited total general fund revenues have shown steady growth (Table 1). Also included are the audited sources of general fund revenues and general areas of expenditures by major function. In addition, changes in unrestricted general fund net assets have remained positive over the past four years different from many other institutions in this cutting back economy. Of course, that is not the only dependable source of funds, tuition and fees generate between 32% and 41% of the general fund revenues in recent years and, given the strong positive correlation between enrollment and revenue, the upward trend in enrollment at Maleshi definitely improves the financial position of the institution, and further supports a sound financial base (Maleshi Community College Annual Report, 2009).

**Table 1: The Budget Revenue**

<b>Source –Revenue</b>	<b>2006-2007 Amount%</b>	<b>2007-2008 Amount%</b>	<b>2008-2009 Amount%</b>	<b>2009-2010 Amount%</b>
Government Appropriations	\$23,556,681	\$26,939,978	\$22,582,675	\$22,365,312
Federal/State/Local Contracts, Grants	\$11,513,112	\$17,121,958	\$18,919,209	\$17,590,435
Tuition and Fees	\$13,598,671	\$14,418,757	\$18,919,206	\$16,345,901
Other Income	\$12,698,735	\$13,576,468	\$16,582,129	\$15,467,867
Bookstore	\$1,478,828	\$1,612,978	\$1,463,082	\$1,312,098
Auxiliary	\$209,451	\$200,471	\$198,587	\$188,756
<b>Total</b>	<b>\$63,055,478</b>	<b>\$73,870,610</b>	<b>\$78,664,888</b>	<b>\$73,270,369</b>

Equally important, though not included in Table 1, general fund and expenditures (Table 2) is the amount of extramural fund received by the university in support of its teaching and outreach programs. The funds received for FY 2007, FY2008, FY2009, and FY 2010 were 22,804,861; 22,749,219; 30,569,188; and 31,766,000; respectively. The funds support the community college mission. Also, Maleshi as a multidimensional institution is funded through support and further demonstrates financial stability. The ability of this institution to support its mission and the scope of its programs and services has been enhanced by 5<sup>th</sup> Circuit United States District Judge Harold Murphy’s Court Decree (Knight v. State of Alabama) which mandated the funding of Maleshi Community College Trust for Educational Excellence and provided for increased funding for selected programs. An assessment of the annual budget, revenue and expenditure records of Maleshi for FY 2007 through FY2010 demonstrates growth in resources during this period (Maleshi Community College Annual Report, 2010). The general funds revenue and major sources, plus expenditures are shown in Table 3.

**Table 2: The Budget Expenditures**

<b>Expenditures</b>	<b>2006-2007 Amount%</b>	<b>2007-2008 Amount%</b>	<b>2008-2009 Amount%</b>	<b>2009-2010 Amount%</b>
Instruction	\$12,937,212	\$14,796,747	\$4,601,123	\$19,620,389
Public Service	\$3,255,548	\$3,556,701	\$9,717,647	\$4,092,868
Student Service	\$7,114,767	\$7,876,614	\$7,876,614	\$8,878,025
Institutional Support	\$7,704,698	\$7,952,622	\$7,952,622	\$9,717,647
Operations & Maintenance	\$3,255,548	\$3,556,701	\$3,556,710	\$4,092,868
Depreciation	\$1,611,930	\$1,988,699	\$2,123,388	\$2,110,945
Scholarship & Fellowship	\$3,273,675	\$2,177,011	\$3,492,094	\$4,601,123
<b>TOTAL</b>	<b>\$39,153,378</b>	<b>\$41,905,095</b>	<b>\$39,320,198</b>	<b>\$53,113,865</b>

Through the years, Maleshi Community College has demonstrated financial stability by consistently providing and adequately funding an array of quality programs as demanded by its growing clientele. The positive trend in revenue growth, over the past four years is solid evident of financial stability. Operational efficiency and optimality in resource allocation are goals that are vigorously pursued at Maleshi in an effort to improve and maintain financial stability. Recent assessment of academic programs and subsequent actions resulted in elimination of over 20 non-viable programs. Such actions have furthered enhanced financial stability.

**Table 3: General Fund Revenue by Major Sources and Expenditures by Major Function, FY 2007-FY2010**

	FY2007	FY2008	FY2009	FY2010
<b>Revenue by Major Sources</b>				
State funds	28,280,614	31,052,671	31,762,962	32,668,124
Federal funds	1,610,262	1,605,889	2,211,265	1,583,850
Tuition & Fees	16,595,596	18,040,833	19,383,641	24,506,352
Other sources	1,337,579	1,244,641	1,960,333	1,285,914
<b>Total general fund revenues</b>	<b>47,824,051</b>	<b>51,944,064</b>	<b>55,318,201</b>	<b>60,044,240</b>
<b>Expenditures by Major Function</b>				
Instruction	12,937,212	14,796,747	17,002,137	19,620,389
Research	630,911	1,027,477	1,155,772	1,400,966
Public Service	3,255,548	3,556,701	4,895,558	4,092,868
Academic Support	1,611,930	1,988,699	2,123,388	2,110,945
Libraries				
Academic Support other	2,716,345	2,078,852	2,602,347	3,008,779
Student Services	7,114,767	7,876,614	8,678,604	8,878,025
Institutional Support	7,704,698	7,952,622	9,031,841	9,717,647
Operation and Maintenance	3,930,373	4,446,868	5,812,021	5,394,978
Scholarships and Fellowships	3,273,675	2,177,011	3,492,094	4,601,123
<b>Total education and general</b>	<b>43,175,459</b>	<b>45,901,591</b>	<b>54,793,762</b>	<b>58,825,720</b>
Increase in general fund balance (net assets)	4,648,592	6,042,473	524,439	1,218,520

One of the primary goals of Maleshi has been to provide adequate physical resources to support its mission and the scope of its programs and services. Consistent with this goal is the current drive to construct and equip new facilities as well as to renovate and upgrade older structures and equipment to ensure that all programs (existing and new) are adequately accommodated. An inventory of the physical facilities of the college is available in the office of the Director of Physical Facilities. During the period of 2007 through 2010 the college has constructed and/or renovated the following facilities, expending over eighty-eight million

dollars. Many new buildings will be developed and initiate for construction in 2011. The major facilities added in 2007-2010 are:

*New Buildings*

- New Classroom Building, \$652,700
- New School of Business – Classrooms and Administrative Offices, \$5,700,000
- E.L. Knight Campus Living/Learning Conference Center, \$20,808,373
- Engineering Building –Classrooms and Laboratories, \$9,606,831
- Kelley Gymnasium - \$178,000 and more

*Renovations*

- Male and Female Dormitories - \$3,428,953
- Administration Building - \$1,739,902
- Library - \$2,129,601

In addition, to new or recently renovated facilities, the college's programs are housed in twelve buildings that cost over twenty-six million dollars. Administrative and support facilities are housed in five facilities worth more than eight million dollars. Maleshi provides an institutional audit and management letter for the most recent fiscal year prepared by an independent certified public accountant or an appropriate auditing agency employing the appropriate audit guide. Moreover, the regular audit conducted by State Auditors from the Alabama Department of Public Records, each year, Maleshi Community College is audited by independent auditors who employ generally accepted standards, such as Government Auditing Standards issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, "*Audits of States, and Local Governments and Other Nonprofit Institutions.*" Also, Maleshi provides an annual budget that is preceded by sound plans, which is subject to sound fiscal procedures and is approved by the board (The White House on Community Colleges, 2010).

### **Review of Departments/Divisions in Past Years/Budget Projections**

Maleshi Community College consists of many areas of program studies in various departments such as: (a) Social Sciences; (b) Nursing; (c) Biotechnology; (d) Business; (e) Humanities; (f) Allied Health; (g) Cooperative Education; (h) Technology involving air conditioning and refrigeration, automation robotics, design drafting, electrical technology, machine tool technology, renewable energies, and aerospace technology; and (i) criminal justice. Over the last few years, the college had close to \$23 million in active Federal, state and local grant awards, including over \$11 million from the Department of Labor funding. There are more areas to be covered in terms of grants and contracts (Maleshi Community College, 2010)

According to a report from the Alabama Community College System, Maleshi's economic impact to the community and state is substantial. The local economic impact represents \$183,056,247.00. The statewide economic impact represents \$221,821,099.00. Maleshi's statewide return on \$1 investment is \$11.56, the highest among all of the state's two-year colleges (Maleshi Community College Fastfact, 2010). This is a breakdown of budgets according to department, funding, and projections at Maleshi. Included in Table 4 will be the prospective dollar amount for each area or department, and the years for projection as stated.

**Table 4. The breakdown of budgets according to department, funding, and projections.**

<b>Department/Areas/Division</b>	<b>Funding Sources</b>	<b>Amount Budget Projections</b>
WIRED	U.S. Department of Labor	\$5,000,000.00 (2007-2010)
Adult Basic Education	Alabama Department of Postsecondary Education	\$1,088,660.00 (2007-2011)
Social Sciences	State of Alabama (Maleshi)	\$175,000.00 (2007-2011)
Nursing	State of Alabama (Maleshi)	\$200,000.00 (2008-2010)
Business	State of Alabama (Maleshi)	\$2,465,656.00 (2007-2010)
Allied Health	State of Alabama (Maleshi)	\$1,612,978.00 (2007-2010)
Cooperative Education	State of Alabama (Maleshi)	\$1,077,798.00 (2007-2010)
Upward Bound	U.S. Dept. of Education	\$390,000.00 (2007-2011)
Student Support Services	U.S. Dept. of Education	\$235,689.00 (2005-2010)
Project AHEAD	U.S. Dept. of Labor	\$2,465,656.00
Space TEC	National Science Foundation	\$296,687.00 (2005-2009)
SSTEM	National Science Foundation	\$586,354.00 (2009-2013)
Opening Doors	Alabama Dept. of Education	\$20,000.00 (2009-2010)
Tech Skills Plus	Governor's Office of Workforce Development	\$145,914.00 (2008-2010)
Precision Machining Dual Enrollment	Alabama Dept. of Workforce Development	\$129,590.00 (2009-2011)
Technology (Aerospace Tech, Air-Conditioning & Refrigeration, Automation Robotics, Designing/Designing & Drafting Technology, Electrical Technology, Machine Tool Technology, & Renewable Energies	Alabama State Department of Education	\$2,006,378.00 (2007-2011)
Title III	U.S. Dept. of Education	
	U.S. Dept. of Labor	
	Governor's Office of Workforce Development	
	Government	\$365,000.00 (2008-2010) (Maleshi Community College, 2010)

### **Budget Projection**

According to the latest report from the U.S. Department of Education, enrollments in two-year institutions have been rising steadily for several years, posting a 10% increase between 2000 and 2006. During the 2006-2007 academic year, the nation's 1,045 community colleges signed on 6.2 million students, or 35% of all post-secondary students enrolled that year. Though statistics for the 2010 and 2011 academic years are not yet available, most community colleges estimate enrollment increases of 10% or more from the previous year, with even higher

registration for online courses. With this in mind and through research, Maleshi Community College, with a current enrollment of 11, 300 will base budget projections through three R's, which are resourceful, resilient, and ready. Maleshi is investing in technology, robotics, aerospace technical education, and distance online education. The budgets for the other program areas will not change in dollar amount very much, but technology will increase by large percentages. The Budget Projection for Maleshi Community College will remain basically the same as in Table of this paper. However, what will change in terms of budget projection is indicated in Table 4. Table 5 represents technological changes and projections in huge amounts of funding for support.

**Table 5. Budget Projection for 2010 -2012 in Technology at Maleshi**

Technology Areas	Funding
Alabama Center of Excellence in Clean Energy Technology (ACECET)	\$3,470,830.00
WIRED (This initiative will provide regions with funding and ongoing technical assistance and support from a cadre of experts to implement a transformational approach to their workforce and economic development systems at the regional level).	\$4,500,000.00
Distance Education (Online Learning) Digital Campus (All courses offered online –core curriculum)	\$5,198,763.00
Adult Education (HUD)	\$78,146.00

Maleshi Community College Annual Report, 2009)

**State and National Issues/Implications on Maleshi Budget**

At every national and state level there are barriers to community college success, a major impediment is cost. As the federal Commission on the Future of Higher Education concluded, “There is no issue that worries the American public more about higher education than the soaring cost of attending college” (2006, p. 19). Maleshi Community College cost has increased by 5% in the last two years. According to the College Board, during the 2009-2010 school years, the average full-time tuition at community colleges was \$2,544, which is significant relative to the

resources of a low-income family (The White House Summit on Community Colleges, 2010). In addition, there are many other costs associated with higher education, including foregone earnings. According to Zumeta and Frankie (2007), community college fees represent only 5% of the total cost of attendance (The White House Summit on Community Colleges, 2010).

Maleshi Community College has become crucial to attaining President Obama's goal of placing the United States at the forefront of the world with respect to collegiate attainment. The President of the U.S. of America communicated that community colleges enroll more than half the undergraduate students in the country. Not only do these colleges produce workforce-related credentials and degrees in their own right but, by preparing hundreds of thousands of students to transfer. They play an important role in undergraduate degree production. When students remain in school for long periods of time, it is costly to them and the college as well. Maleshi Community College with well over 11,300 credit students during the 2009 Fall Semester, remain one of Alabama's largest two year college, and the 6<sup>th</sup> largest higher education institution in the state producing typical of the enrollment and output workforce according to statistics of the President Obama's administration. So there is a brighter side in terms of productivity, viability, and graduate output in a timely manner in relationship to cost effectiveness and efficiency (The White House Summit on Community Colleges, 2010).

In this recession and economic crisis, hundreds of individuals are turning to community colleges to find classes in an effort to obtain new or updated job skills. In addition, to traditional high school graduates, community colleges are enrolling high numbers of unemployed and under employed individuals seeking short term job certification programs in order to get back into the workforce quickly or hang on to their current jobs. The United States is still faced with the fact that far more students want to attend a community college than our funding will allow. Face it,

budget managers at community colleges are being confronted with budget restraints, cutbacks, and some are in denial. Even, with increases in our budgets in some areas, policymakers need to understand the demand for a community college education is continuing to outstrip resources (American Association of Community Colleges, 2010).

In the State of Alabama, community colleges are serving over one million students for which we are receiving no state increase in funding. Some funding from the state has increased in particular areas; however, this is not solving many problems. The \$126 million growth augmentation will fund approximately 600,000 of the one million unfunded students on community college campuses. The increase enrollment funding will help our colleges respond to the tremendous demand they are experiencing, but the deferral still puts community colleges in the state thrust with a demanding situation (Alabama Commission on Higher Education, 2010-2011).

On the other hand, researchers have long thought that financial aid supports college success, and there have been a number of studies that have analyzed the relationship between financial aid and persistence. Without financial aid, community colleges will not exist. It has been researched that giving money to students through scholarship, gifts, and support of borrowing through financial aid are all positively related to educational outcomes, including credit accumulation (College Board, 2009). For instance, Jaschik (2010) finds that the state merit-based aid programs of Arkansas and Georgia reduced the college dropout rate, and Maleshi Community College uses this same program which eliminates dropout rates on the Northern Alabama campus (Maleshi Community College, 2010).

Nationally, community colleges are complicated environments with respect to the way students move in and out in terms of functioning. Students frequently interrupt their enrollment

by stopping and starting producing indecisiveness, which can present problems in terms of budgeting. These students change programs, and make use of myriad support services such as tutoring and supplemental instruction which elevate the cost for maintaining. More than half of them begin with developmental studies in reading, writing, or mathematics, because they are assessed below the college level in these skills. Community college academic leaders and faculty need to deeply understand these factors in order to design and improve curricula and academic interventions, and they need appropriate and timely early warning systems to detect students in trouble, which is extremely costly to the college in terms of budget, monies available, and other resources to help subsidize the cost.

### **Summary and Conclusion**

During many years of success and building Maleshi Community College, there have been a tremendous support and assistance of many community and corporate partners. Maleshi has positioned itself as one of the premier two year colleges in the southeast. From the corporate partnerships with such industry leaders as The Boeing Company and NASA, to the outstanding educational and training programs, to the impressive faculty and exceptional student body, Maleshi has continued to thrive. Through support of state, donors, patrons, industry, business, and corporate America, Maleshi Community College has grown rapidly. Using information cited and information from the website, converting data into information and using this information to diagnose what impedes and accelerate student progression in community colleges is critical to achieving the national attainment goals set at 60% of young adults in the U.S. by President Obama (The White House Summit on Community Colleges, 2010). Good data systems, budgeting strategically, well utilized, enable college leaders, faculty, and staff to determine what works specifically for which kinds of students in the complex, diverse, and challenging

environments provided by today's community colleges. Budgeting and funding are as important to student success as dedicated and well prepared faculty, caring and knowledgeable student support staff, and up-to-date and appropriate educational facilities and technologies. Community colleges cannot succeed without funding and budgeting, especially Maleshi Community College.

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