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#### ABSTRACT

The role of Ohio's community and technical colleges in educating low-wage workers was examined. Ohio's community and technical colleges were shown to be uniquely positioned to serve as bridges to growth and opportunity by helping the state and its workers make the transition to a knowledge-based economy and help low-wage workers gain the footing needed to pursue more fulfilling paths. However, they were also found to be facing the following challenges: (1) recruitment and retention (possible solutions include outreach efforts to reach harder-to-serve students; bridge programs targeted toward working adults who are not academically prepared for postsecondary education; and support for student learning and persistence); (2) barriers to education and training (possible solutions include coursework geared to the workplace and external partnerships with community-based education, training and service providers, employers/employer associations, and government agencies and policymakers); and (3) fragmented services (a possible solution is internal alignment of programs and program innovations). Challenges identified as requiring action by policymakers included unreliable and insufficient funding, lack of funding for workplace programs, uncoordinated funding, and financial aid policies that limit aid to adults. Proposed solutions were as follows: (1) providing access to local funding; stable funding for non-credit workforce programs; (2) integrated funding streams; and (3) effective adult financial aid. (MN)



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## Building Bridges to Opportunity and Economic Growth in Ohio:

The Important Role of the State's Community and Technical Colleges in Educating Low-Wage Workers

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#### **OVERVIEW**

For Ohio to compete successfully in today's technology-driven marketplace, policy makers must find new ways to boost the skills of low-wage workers. More than one million strong, low-wage workers are a largely untapped force for improving economic and social conditions in an era in which the need for skilled workers is strong and growing. Ohio's community colleges are the key to unlocking this potential, giving Ohio businesses a more competitive workforce and helping more low-wage workers become part of America's middle class.

Without an effort to link Ohio's community and technical colleges to the entire workforce development system, low-income workers, nearly one out of four Ohio families will continue to toil on the economic brink, barely able to make ends meet. Low-wage workers juggle one, often two, and sometimes three jobs, yet in the end they remain Ohio's working poor, earning as little as \$1,500 a month for a single person to \$3,000 a month for a family of four. These Ohio workers are increasingly locked into a debilitating economic embrace defined by three persistent factors: low wages, dead end jobs, and no postsecondary training.

Ohio needs to do more to help its citizens – especially low-wage earners – understand the need for additional education and training. Approximately 83% of Ohio's current workforce will still be working in 2010 but it is already becoming quite clear that many of these workers lack the skills they need and are inadequately prepared for the changing job market. To overcome this growing skills gap, state leaders from government, education and business must develop a new set of policies and incentives that create new educational opportunities for citizens seeking to upgrade their skills. A concerted and multi-faceted campaign is needed, involving regional career centers (that provide strong adult basic education and vocational coursework), community and technical colleges, and four-year colleges and universities.

Ohio's community and technical colleges, which currently enroll about one-third of all postsecondary students, are starting to provide low-wage workers with the educational advantages they need to gain the traction necessary to pursue a more fulfilling path. Their open admissions policies and understanding of the needs of first-time college-going and working students position these institutions especially well to help low-wage working adults develop skills and credentials needed to secure good jobs and careers. Moreover, the regional focus of community and technical colleges enables them to understand the local labor market and respond quickly to the emerging workforce needs of employers in key economic sectors. The previously mentioned factors are a good start, but more is required for Ohio to stay competitive.

This report provides a preliminary analysis of current conditions and promising policies and practices for individual students and workers, as well as for systems (state and local governments and institutions). The information and insights presented can help point the way toward innovations and policy solutions that support the ability of community colleges to build social and economic capital throughout Ohio.

With support from the Ford Foundation, KnowledgeWorks Foundation will use the baseline information in this report to launch the Ohio Bridges to Opportunity Initiative (OBOI). Working with the Ohio Board of Regents and Ohio Association of Community Colleges, this initiative will engage stakeholders at all levels in Ohio to use the report to develop policy and practices that respond to the needs of business and lift the skills and wages of Ohio's working poor.



#### **CHAPTER ONE**

#### The Vision: A Brighter Economic Future for Ohio

Creating a brighter economic future in Ohio requires a renewed focus on the role of community colleges in building a stronger, more competitive workforce and lifting the wages of the working poor. With the right adjustments, Ohio's community and technical colleges can be a gateway to innovation, growth, and economic prosperity.

Like the rest of the nation, Ohio is in transition to a knowledge-based economy. This transition promises long-term growth and prosperity, but rounding the corner requires more opportunities for low-wage working adults to upgrade their job skills – a sorely needed booster shot for Ohio's flagging economy.

A strong manufacturing base helped Ohio achieve the sixth highest per capita income in the nation in 1960. However, since 1964 Ohio has suffered a net loss of 300,000 manufacturing jobs, driving the state's per capita income down to  $22^{nd}$  in the nation in 2001.

"The fundamentals of the economy have changed so much that we need all the state's learning institutions to address the challenge before us—the challenge of promoting continuous knowledge creation and skill development for Ohio's workforce."

~ Roderick G.W. Chu, Chancellor of the Ohio Board of Regents

There are plenty of reasons for hope. The state is improving K-12 education with reforms that challenge all students to meet higher standards. Tax and regulatory incentives have made it easier to attract and grow businesses in Ohio. This paper seeks to build on this progress by providing a foundation to improve the knowledge and skills of low-wage workers – a rich and untapped resource for Ohio's economy.

#### Low-Wage Workers: An Untapped Resource

Nearly one million Ohio workers earn wages that make it difficult to support their families. With pre-tax incomes as little as \$1,500 a month for a single person to \$3,000 a month for a family of four, these Ohio workers are increasingly locked into a debilitating economic embrace defined by three persistent factors: low wages, dead-end jobs, and no postsecondary training.

In today's economy, education and the ability to learn new skills have become the gateway to a middle-class income and standard of living. In 1959, only 20 percent of American workers needed at least some college to do their jobs well, but today it is estimated that 80 percent of new jobs in the United States will require postsecondary skills and credentials. In Ohio, jobs that require an Associate degree are expected to grow 26 percent over the next decade, more than double the average growth for all occupations.

Ohio's past success has an unfortunate downside. Through much of the post-World War II years, families understood that their children did not need a college education to find high-paying jobs in Ohio factories. In fact, large numbers of Ohioans did not pursue college and did not encourage their children to do so. Today, Ohio ranks  $40^{th}$  in the nation in the percentage of adults who have an Associate's degree and  $41^{st}$  in Bachelor's degrees. If this college-going gap or educational deficit is not closed, Ohio may, in fact, enter a sustained period of economic stagnation.



Without greater attention to opportunities for lifelong learning and skill development for current and new workers, Ohio runs the risk of continued wage stagnation and greater difficulty attracting and keeping high-productivity and high-wage employers.

Providing opportunities for low-wage workers and infusing our state's economy with more highly trained, better-paid workers are attainable goals. Chapter Two of this report presents an array of successes to learn from and build upon. It is an endeavor that will be well-worth the investment.

In Ohio, starting salaries for workers with an Associate's degree are almost as high as for workers who have a Bachelor's degree – \$31,785 compared to \$32,650 at a much lower cost to both the individual and the public sector. The payoff for all Ohio citizens is clear. Higher incomes lead to increased spending and business profits, which create more jobs and a more vibrant economy.

"The unique value of community colleges lies in helping working adults and young people advance from \$7 per hour jobs to \$17 per hour careers"

~ Ned J. Sifferlen, President of Sinclair Community College

#### Community Colleges: Bridges To Growth and Opportunity

Community colleges are uniquely positioned to help less-skilled workers – and their employers – prepare for the challenges of tomorrow's economy. By bridging the current gaps in Ohio's education and workforce training system, community colleges can create a responsive, robust system that keeps Ohio businesses primed with a highly trained workforce. Norton Grubb, a higher education expert from the University of California, has identified the following advantages that community colleges have over four-year colleges, vocational schools, and community-based second-chance training programs:

- Because community colleges offer a wide range of programs to fulfill their multiple missions, from short-term training programs to two-year Associate's degrees, they have the potential to serve as a bridge from short-term training to mainstream college education.
- Because community colleges offer remedial, vocational, *and* academic courses, students can navigate from different entry points in the same institution to a broad range of program options. The comprehensive nature of the community college makes it possible to design programs that accelerate students' progress by combining developmental basic skills instruction with vocational or academic courses.

"Community colleges can play a significant role in upgrading worker skills. They have a good handle on their customers and often provide the supports and nurturing that help students succeed. They work easily with the Chamber of Commerce and other local institutions and can deliver programs that make a difference to the region's employers."

- ~ Dan Berry, Vice President, Greater Cleveland Growth Association
- Community colleges can develop courses and programs that mirror and respond to the local labor market and employer community. In this, they are far more flexible and oriented to employer needs than four-year institutions.



- Community college credentials have a significant payoff in the labor market. A two-year degree can increase income an average of 20 to 30 percent over a high school diploma. For women, even a one-year certificate yields a 20 percent earnings jump. Community college credentials open up higher-skilled occupational categories. In this, they can help low-wage workers advance further than stand-alone workforce development programs.
- Community colleges belong to the culture of education rather than training. They have a commitment to quality instruction and being a teaching and learning institution.

These advantages are significant. Community colleges have flexibility, local connections and commitments, experience with low-skill and lower-income populations, and a comprehensive range of programs that make them unique – and uniquely equipped to help less-skilled youth and adults improve their skills and respond to employer workforce needs.

Everyone benefits when community colleges proactively reach out to the working poor. The colleges themselves have access to a new pool of non-traditional students. The students obtain the skills and knowledge they need to pursue higher-paying jobs with a future. Businesses gain both skilled workers and better-paid potential customers. And Ohio gains because a higher percentage of its citizens have the skills and motivation needed to contribute to a vibrant economy.

A broad range of education and workforce services give community colleges a distinct advantage over other education institutions and training programs in achieving the growth and opportunities that currently remain just out of reach for the working poor. The innovative practices described later in this report illustrate how and why Ohio's community colleges are valuable bridges to reach the untapped resource of low-wage workers.

To harness the economic and education potential of community colleges, policymakers and higher education leaders must address the unique needs of non-traditional, working adult learners, and develop systemic policies and practices that strengthen community colleges. Accomplishing these changes will require a willingness to depart from current practice.



#### CHAPTER TWO

#### Strategies for Connecting Community Colleges and Low-Wage Workers

KnowledgeWorks Foundation and others around the country have closely examined strategies being used or tested nationally to improve access to quality community college programs, increase retention in these programs, and help adult workers access further education or credentials that have value in the labor market. The following section profiles some of these promising practices as a way to assist Ohio stakeholders as they consider future state strategies.

#### What Community Colleges Can Do

#### Challenge: Recruitment and Retention

Community colleges serve a diverse range of students who enter many different programs, for

different reasons, with different goals. Many are nontraditional students – low-wage working adults who have families and attend school part-time while juggling work and family responsibilities. Most are first-generation college-goers. They tend to have low incomes, poor academic records, dependent children, and full-time jobs – all of which put them at serious risk of failure in college. These risk factors are recognized obstacles to college access, persistence, and completion.

"Keeping students enrolled requires focusing in a comprehensive way not just on access. It requires other strategies for making colleges more studentcentered and studentfriendly."

~ Nan Poppe, Dean of Adult and Continuing Education at Portland Community College in Oregon.

For many low-wage workers, access to college is neither simple nor automatic. Tuition, fees, and living expenses pose serious burdens and keep many potential students from applying or enrolling. Just knowing how to apply and

how to choose among potential programs and courses can be daunting to someone trying to juggle family, work, and school.

Many of today's community college students come to college with academic, financial, family, and other challenges that make it difficult to stay enrolled for a two-year program of study. Innovative community colleges are finding that they can encourage and help students to stay in a program and the school if important supports are more readily available.

#### Solution: Outreach

To expand access for harder-to-serve students, community colleges are conducting aggressive, targeted outreach deep into communities through partnerships with community-based institutions. They are helping students address personal fears, insecurities, and time constraints – as well as the cost of attending college. The complex information, resource, academic, and personal support needs of many community college students place significant demands on these institutions – demands that are particularly difficult to meet, given current funding realities and the way most college programs and services are organized, delivered, and financed.



Enrolling prospects in college programs is only a first step. Improving the likelihood that they will complete their program requires intensive follow-up and support.

Some colleges are taking aggressive steps to identify, recruit, and accommodate students who otherwise might not have tried to pursue further education. In Hispanic communities, this can mean hiring Spanish-speaking recruitment specialists to visit schools, churches, and community centers to find potential students. It might mean changing the intake and enrollment procedures to be more student-friendly, making it more likely that applicants enroll and that enrollees make it through the first semester.

Outreach to local employers is also part of some colleges' efforts to attract more working adults who are seeking to upgrade their skills. Engaged and informed employers are more likely to create or support learning programs for incumbent workers. Working with intermediary organizations that aggregate the interests of multiple local employers in the same industry can provide a stable market for courses, political support for the college, and allies in

#### **Promising Practices**

Sinclair Community College in Dayton targets African-American and Appalachian white neighborhoods for outreach—and it is keeping close tabs on data on changes in enrollment patterns from those neighborhoods.

San Jacinto North College outside Houston set targets for increased enrollment among individuals who applied for admission but never completed the enrollment process.

efforts to revamp programs to better suit the realities of many working adults' lives.

#### Solution: Effective Bridge Programs

Many working adults who are not academically prepared for postsecondary education programs enter community colleges through basic skills programs (for example, Adult Basic Education, ESL, and GED programs). About 40 percent of students entering community college take developmental courses in at least one area, according to a recent national study of remedial education in community colleges. Unfortunately, only 40 to 50 percent of those who enroll in

remedial courses successfully move on to credential programs at the college level. Improving developmental education is critical to improve outcomes for low-wage working adults.

Many innovative community colleges are redesigning basic skills programs to make them more effective as bridges to further educational and career advancement. There are many variants of this "bridge" strategy. These include: vocational ESL programs that use occupational courses as the content for English language instruction; basic skill programs delivered at community-based organizations that link directly to entry-level credential programs at a community college; programs that combine job-readiness skills, basic academic skills, and introductory exposure to vocational fields into a short-term course of study that links to credential programs.

#### **Promising Practices**

Your Place program at Ohio's Southern State Community College provides coursework support to low-income parents transitioning into college-level coursework.

West Side Technical Institute of Richard J. Daley College in Chicago provides stepping stones into technical training programs at the college for individuals with basic skills as low as fourth- to sixth-grade level.



#### Solution: Support For Student Learning And Persistence

Academic and personal support centers and services are investments that can pay off in terms of increased student retention and success. Colleges are creating *integrated student support centers* that address academic skill development and tutoring, including peer tutoring, while also helping students deal with personal problems and challenges. Services range from help with government-

#### **Promising Practices**

In Washington state, colleges have received federal welfare funds to pay for extended hour child care on campus.

provided benefits and financial aid to assistance with housing, day care, transportation, and other supports that make it easier for students to complete a program.

The availability of childcare on campus is a particularly important benefit. Focus groups with working adults enrolled in community colleges conducted by Manpower Demonstration Research Corporation underscores the importance low-income adult students place on the availability of on-campus childcare, especially during evening hours.

#### Challenge: Barriers to Education and Training

At the federal level, the dominant recent theme in welfare and workforce policies has been "work first," emphasizing rapid entry into the labor force and downplaying the importance of education and training.

Colleges also face challenges addressing the needs of individuals who can handle college-level

courses but whose employment schedules make it difficult for them to find appropriate courses and stay motivated and focused. Most low-wage adult workers have to work fulltime to support themselves and their families. Many adult workers typically take half-time or lighter course loads and have trouble staying in school for more than a semester at a time. While they can complete intensive short-term programs, they need to see immediate economic benefits, such as skills and credentials that help them get a good job or advance to a better one.

#### Solution: Coursework Geared to the Workplace

Some states, including Ohio, have enacted policies designed to promote preparation for entry-level work as a step toward further advancement rather than as an end in itself.

Promising policies generate resources that community colleges can use to pursue a course of continuous knowledge creation and skill development. The policies bring different state agencies together toward a common set of goals and economic development strategies. In addition, they support and strengthen the community college mission of helping low-skill individuals obtain skills and credentials that can help them advance out of poverty and toward self-sufficiency.

#### **Promising Practices**

Portland Community College redesigned its Machine Manufacturing Technology Associate of Applied Science degree and certificate programs to offer a series of short courses built around defined skill sets. Students can take courses on a selfpaced schedule at labs that are open 52 weeks a year. including evenings and Saturdays. Students take the competency exams whenever they feel ready. The flexible schedule enables working adults to fit school around their work and family lives, yet participants qualify for financial aid to cover tuition costs because they are enrolled in a degree program.



Recognizing that few working adults complete long-term degree programs and often leave without any credentials, some community colleges are redesigning credential and degree programs into short-term modules that are organized around specific employer skills needs, are linked to employment, provide credentials, and can be used as building blocks to complete more advanced certificates and degrees. The goal is to develop intensive short-term programs that working adults can complete and that lead to better employment – and that provide a pathway to advancement rather than a final destination.

#### Solution: External Partnerships

External partnerships are also critically important to strategies that are geared to rapid and

effective advancement into higher skill programs and better jobs. These include partnerships with communitybased education, training and service providers; with employers and their associations; and with state and local government agencies and policy makers.

Partnerships with employers are critical if occupational training programs are to lead to employment for program completers. The closer the relationship with employers, the more the program meets employers' needs. This will make it more likely that students can take advantage of work-based learning and internships and that short-term programs appropriately prepare them for employment in growth industries and occupations that matter to local employers.

Partnerships with state and local government are also critical. In an era of lean public funding, partnerships with government can facilitate the integration of funding streams and the coordination of welfare, economic development, workforce development, incumbent worker, and education funding in ways that support pathways for advancement and incremental success. Cuyahoga Community College successfully partners with local government agencies to fund the Cuyahoga Training Academies to provide job training to low-income individuals.

#### **Promising Practices**

Ohio's Higher Skills Partnership program encourages partnerships between the state's Adult Workforce Education Centers operated by the Ohio Department of Education and the EnterpriseOhio Network of twoyear campuses managed by the Ohio Board of Regents. The EnterpriseOhio Network includes Ohio community colleges, technical colleges, and university regional campuses and Adult Workforce Education Centers are the adult training affiliates of the comprehensive, compact, and joint vocational schools. These partnerships are mostly focused on providing a single source of customized training to employers as well as sharing facilities and equipment, and improving training and assessment resources for both institutions.

Bridge programs geared to individuals with very low English or basic skills are often done in partnership with providers in the fields of adult education and workforce development. These groups can recruit students/participants effectively and screen program candidates for their likelihood to succeed. They can provide supports that colleges themselves often cannot. Some can offer a location for classes that is more easily accessible to the target population.



#### Challenge: Fragmented Services

Many colleges confront internal institutional obstacles to implementing changes that can help more of their students succeed. Multiple missions, funding constraints, and institutional fragmentation shape institutional policies and practices in ways that make it difficult to provide sufficient flexibility, intensity, and support for students and potential students with multiple serious barriers to college success.

Community colleges have multiple missions, including academic transfer, remedial education, workforce training, and personal enrichment. Multiple missions can complicate integration across the colleges' various programs and divisions. An emphasis on helping students transfer can conflict with the goals of supporting local workforce and economic development needs. As college missions have multiplied, these institutions have usually responded by adding on new divisions or departments, which operate under different leaders, rules, incentives, and funding streams. Fragmentation and lack of integration are typical and are often difficult to reverse.

Lack of integration within community colleges is an obstacle to helping working adults advance efficiently and rapidly beyond entry-level low-wage work to college credentials and family-supporting careers. Developmental education, workforce development, and academic departments often operate as stand-alone silos. There are few bridges from non-credit programs to credit programs that offer certificates or degrees. Education and training programs are too often disconnected from each other, from economic opportunities in the labor market, and from credit-level educational offerings.

#### Solution: Internal Alignment

Community colleges committed to the kinds of programmatic changes described here are typically also committed to institutional innovations that affect the relationships among divisions within the college and relationships between the college and other key institutions in the community, including community-based providers, public agencies, and employers.

Programmatic innovations can be found on most community college campuses. These are, after all, quite entrepreneurial institutions. However, colleges that are trying to create more obvious and easily navigable "pathways" for less-skilled students must take steps to align the various programmatic building blocks into such pathways. This requires new forms of communication and collaboration across the credit and non-credit divisions of the college, and among the developmental, academic, and vocational divisions.

How this is done will vary from one institution to the next: one college might shift control under one dean, while another might require cross-divisional teams to design and teach bridge programs. Whatever the mechanism, only through strong leadership from the president and the senior management team of the college can this kind of institutional alignment take hold.



#### What Policymakers Can Do

#### Challenge: Unreliable and Insufficient Funding

Despite rapid growth in enrollment and a pivotal role in priming Ohio's workforce, reliable funding is woefully inadequate. After five years of enrollment growth, Ohio ranks ninth nationally in the number of students enrolled in community colleges, but only 26<sup>th</sup> in state support for community colleges. Additionally, many Ohio colleges are hampered by their inability to supplement state funding with local tax revenues. Only six of Ohio's 23 community colleges raise local tax support for their schools.

#### Solution: Access to Local Funding

In states and communities that have the authority to raise local resources for community colleges, colleges have an additional source of potential resources – and an incentive to serve their local employers and residents effectively.

Six of Ohio's community colleges supplement their funding through local levies – Cuyahoga, Lakeland, Lorain, Sinclair, Jefferson, and Rio Grande. The Dayton area recently approved a tax levy to increase local funding for Sinclair Community College. The levy passed with more than 70 percent of the vote, an indication that the college's services are highly valued by local businesses and voters. Sinclair's leaders argue that the college's need to build support for adequate local funding motivates the college to identify and meet community workforce and economic development

#### **Promising Practice**

In the late 1990s, Ohio implemented the Access Challenge, an incentive to restrain tuition increases at community colleges by matching tuition support for students in two-year colleges' general studies programs.

needs. Sinclair's expansion of access to underserved communities and its involvement in out-ofschool youth initiatives, education, and training for low-wage workers, and adult education all reflect its responsiveness to community priorities.

#### Challenge: Lack of Funding for Workforce Programs

The current state funding system offers limited reimbursement to community colleges for noncredit developmental or workforce development courses. This differential funding policy adds to the institutional walls separating the colleges' degree-granting credit divisions from their noncredit workforce training divisions.

#### Solution: Stable Funding for Non-Credit Workforce Programs

State reimbursement policies of non-credit workforce programs vary greatly. North Carolina provides Full Time Equivalent (FTE) funding for students in certificate and workforce programs, although at a lower rate than students in credit-granting degree programs. Oregon counts all students as FTEs, based on the amount of time they attend college. This approach makes core funding more predictable for these programs, which are important entry points and advancement vehicles for low-wage working adults.



### Challenge: Uncoordinated Funding

Increased appropriations are not the only way that state policy shapes college practice. In large part, because of federal funding streams and their requirements, state workforce development, economic development, welfare, adult education, and community college agencies and programs often are disconnected and difficult to bundle. This frequently makes it difficult for community colleges to align multiple funding streams, reinforcing the tendency to operate the college as a set of freestanding silos with different missions and constraining efforts to create more transparent and synergistic pathways to advancement within a college.

### Solution: Integrated Funding Streams

Several states have focused on creating a seamless workforce development system, with community colleges at the center, priming local and state economic development needs.

Some states have instituted policies to promote the integration of community college, workforce development, economic development, welfare, and adult education programs into a more coherent system focused on educational advancement and wage progression. Some states have combined agencies to promote better integration. For instance, Oregon formalized the central role of community colleges in workforce development by creating an integrated Department of Community Colleges and Workforce Development.

### Challenge: Financial Aid Policies that Limit Aid to Adults

#### **Promising Practices**

Kentucky's Ready to Work program, a partnership between the community and technical college system and the Cabinet for Families and Children, provides education and training for welfare recipients leading to employment and selfsufficiency. As a result, Kentucky welfare recipients are going to college at a higher rate than the state's population, with nearly 60 percent earning GPA's that met or exceeded the campus average.

Washington and California target federal welfare funds explicitly to develop innovative programs that meet the needs of low-income adults, including work study and fast-track skill building programs and other initiatives that create a bridge from noncredit basic skills programs to mainstream education and training leading to credentials.

For low-wage working adults attending school part-time, federal financial aid policies are largely irrelevant. State policies can help reduce tuition costs for part-time working students. They also can affect the basic funding levels available to community colleges in both their credit and non-credit divisions.

Financial aid policies tend to favor traditional-aged full-time students over working adults. Recent research by FutureWorks has demonstrated that working adults are not eligible for many types of student financial aid and benefit little from the few programs for which they are eligible, including federal Pell Grants and Supplemental Educational Opportunity Grants. This is because most postsecondary aid is awarded only to students who are enrolled in classes at least half-time during a semester, a commitment that many working adults cannot make. About 15 states have created programs and policies to address this inequity, but the overall pattern remains.



Federal policy also favors middle-class over lower-income students. Federal education tax

credits are non-refundable. Section 127-employer education tax credits are used primarily to finance postsecondary credential programs for better educated, higher-paid employees.

State funding policies and guidelines frequently shape the possibilities and options facing college leaders. How states organize and fund adult basic education is one such state policy; others include funding formulas for non-credit courses, the extent to which student support service costs are figured into state community college funding formula, and the rules surrounding state support for remedial education at community colleges or four-year institutions.

#### Solution: Effective Adult Financial Aid

#### **Promising Practices**

In California, the community college system worked with the state to create the Partnership for Excellence that provides additional funding to colleges that achieve performance goals. The state invests over \$100 million a year for innovation and program improvement to increase performance toward system goals.

State financial aid policies can provide support for part-time students taking short-term programs, including basic skills and workforce development programs that do not grant credit. For example, HOPE Scholarships provide aid to part-time students in programs accredited by the Georgia Department of Adult Education. The state writes requirements for programs, and community colleges design programs to meet the requirements. Both California and Washington state use federal welfare funds to provide financial aid and tuition assistance to low-income adults who are ineligible for traditional aid programs.

States can also use funding to promote innovation and change at the local level by targeting resources for creative program redesign.



#### **CHAPTER THREE**

#### What Role Will Ohio Community Colleges Play in Promoting Growth and Opportunity?

As the previous chapters suggest, Ohio faces significant challenges in making the transition to a knowledge-based economy. To date, the state has not found the right formula to help one million low-wage workers who are struggling to make ends meet. While many of Ohio's low-wage workers moved from dependence to self-sufficiency through the federal welfare reform effort, the next step in this process is to help move them up the economic ladder. An enhanced two-year college system better equipped to help low wage workers obtain the job skills they need to advance economically will help propel this effort. But it is imperative that policymakers and key stakeholders – especially community college leaders and employers – develop a sense of urgency about addressing these challenges and opportunities.

KnowledgeWorks Foundation encourages these stakeholders to use this background paper as a starting point to address three fundamental questions:

- How can the state best develop the capacity of Ohio's community and technical colleges to address the education and training needs of its low-wage working adults?
- What would foster the improved alignment of multiple missions remedial, workforce, and academic of community and technical colleges?
- What can be to done to provide many more low-wage workers with the basic educational skills they need to begin taking career-related coursework?

Over the coming months, KnowledgeWorks Foundation – in collaboration with the Ohio Board of Regents and Ohio Association of Community Colleges – will invite stakeholders from all sectors of Ohio government, higher education, and business to address these issues and, in the process, begin to formulate solutions that bridge our state's workforce and education gaps.

These conversations will be convened as part of the Ohio Bridges to Opportunity Initiative (OBOI), with support from KnowledgeWorks Foundation and the Ford Foundation.

The goal of OBOI is to develop policies and practices that improve alignment of the workforce, academic, and developmental education missions of community colleges to more effectively serve low-wage working adults. The initiative will create a planning forum to engage stakeholders in a focused six-month process to develop policy and practice plans that, if implemented, could promote enhanced alignment of the multiple missions of community colleges. Project participants will create a final report and recommendations.

As part of this initiative, several important pre-planning processes are taking place. The National Center for Higher Education Management Systems has completed a demographic audit and the Education Commission of the States Center for Community College Policy is completing a policy audit for the state (due November 2003). This research will provide valuable information and a framework to inform the planning phase of OBOI.



Whatever the outcome of these deliberations, it is important that key higher education, business, and government leaders are engaged – and that the strategies proposed and embraced are appropriate for Ohio and its one million low-wage workers, businesses, government leaders, and its higher education institutions.

The plans developed by the OBOI stakeholder group will be presented at the KnowledgeWorks Foundation's second annual conference on community colleges as an educational resource for low-wage working adults on March 27, 2003. Another paper with more specific recommendations – including consideration of the broader fiscal realities – will be developed and disseminated at that time.

KnowledgeWorks Foundation thanks the following people in the development of this document. Richard Kazis and Marty Liebowitz of Jobs For the Future provided the research and writing that became the core of this paper. Jobs For the Future is a Boston-based non-profit research, consulting, and advocacy organization working to strengthen our society by creating educational and economic opportunity for those who need it most.

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Questions regarding this paper or KnowledgeWorks Foundation's interest in low-wage working adults may be directed to Brett Visger. Brett can be contacted at visgerb@kwfdn.org





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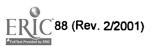
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