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ABSTRACT

The Education Commission of the States conducted a national survey on workforce development in the community college. The research instrument was sent to the state agency responsible for oversight of the community colleges in each of the 50 states. Forty-five states responded. The five states that did not respond are Idaho, Hawaii, Maryland, Montana, and South Dakota. Findings include: (1) 21 states provided special funding to community colleges to train workers for high-demand occupations; (2) the type of funding varied, and ranged from under \$1 million in some states to \$45 million in California; (3) 18 states provided state funds, in addition to federal funds, to support occupational training of disadvantaged students by community colleges; (4) 32 states provided state funding to support customized training for employers; (5) at least eight states required matching funding from the employers served; (6) 20 states funded non-credit occupational training (apart from customized training for employers) at community colleges; (7) 17 states provided special funding to help community colleges purchase, maintain, or replace computers and other equipment for workforce training; and (8) 40 of the 45 respondents answered a question regarding challenges they faced in workforce training. Of these 40, 30 cited lack of funding as a major challenge. (Author/NB)



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INTRODUCTION

No other institution provides as broad a range of education and training for employment as do community colleges. Such offerings include degree and certificate programs designed to prepare students to enter skilled technical positions. About half of the more than 450,000 associate degrees that community colleges award each year are in occupational fields such as nursing, business and engineering technology (NCES, 2000). The vast majority of the more than 165,000 advanced certificates community colleges award are in job-related fields. Community colleges also provide a critical connection for high school youth to postsecondary technical programs through tech prep, school-to-careers and dual or concurrent high school/college enrollment programs.

Community colleges also offer training to upgrade the skills of incumbent workers. Often such training is provided under contract to employers and generally does not offer credit toward formal certificates or degrees. These customized training programs are typically more flexible and responsive to the needs and schedules of student trainees and their employers. Thomas Bailey of the Community College Research Center at Columbia University's Teachers College estimates that, in 1999, some 2.3 million students were enrolled in noncredit, job-related training programs at community colleges (Bailey et al., forthcoming).

Community colleges play a crucial role in helping unemployed and under-employed adults become economically self-sufficient. Programs such as these include English as a Second Language (ESL) training for immigrants and other basic skills programs linked to training for jobs. Many community colleges offer extensive programs to help welfare recipients enter the workforce, as well as training to help workers who have been displaced by economic change return to work.

Where they are effective, community college workforce development programs further both the career goals of workers and the business objectives of employers. To the extent that they help local residents secure well-paying jobs and advance in their careers, and also assist employers to hire, retain and enhance the performance of their employees, community colleges have become a force in the economic development of their communities.

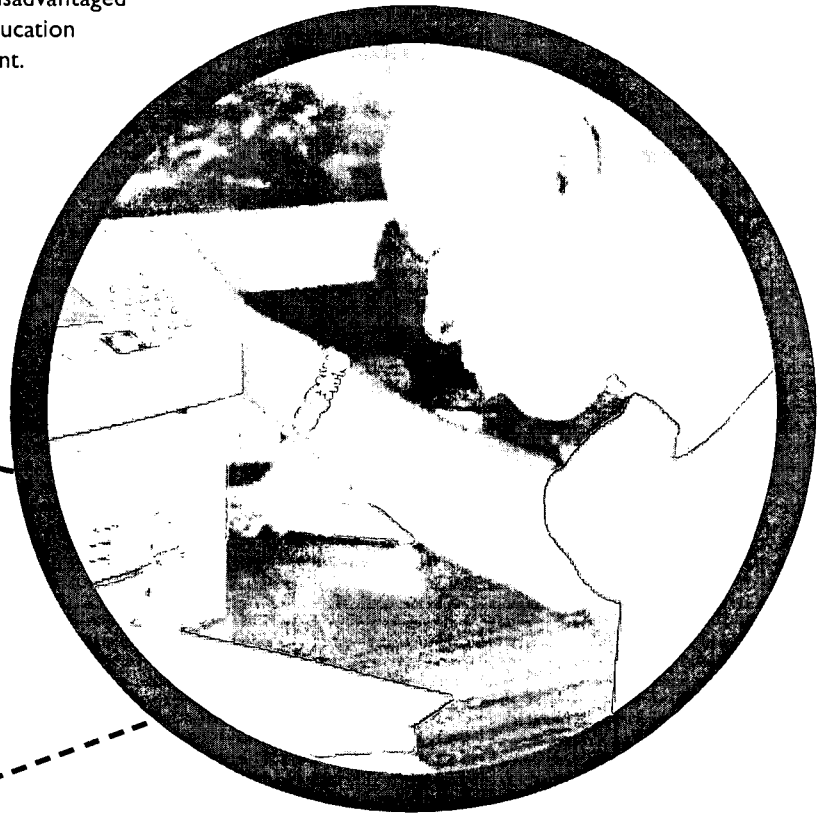
Community colleges are designated as the lead agency to provide workforce training in at least 19 states – Alaska, Alabama, Arkansas, Colorado, Delaware, Iowa, Kansas, Kentucky, Maine, Missouri, Mississippi, Nebraska, New Hampshire, Nevada, North Carolina, North Dakota, Virginia, Washington and Wisconsin. In most other states, community colleges are prominent players in the workforce development system.

State policy is a key factor in determining how effective community colleges are in carrying out their workforce development mission. This paper presents findings from a survey of state higher education officials on policies the various states have established to guide and support workforce development programs at community colleges. The survey was conducted by the Center for Community College Policy at the Education Commission of the States (ECS) in fall 2001.

ECS conducted this survey as part of a larger project, funded by the Ford Foundation, aimed at promoting the development of state policies that facilitate efforts by community colleges to serve as “bridges” for disadvantaged students to both higher education and career-path employment.

The following sections summarize the main results of the survey.

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FINDINGS

Respondents to the Survey

The survey instrument was sent to the state agency responsible for oversight of community colleges in each of the 50 states. Forty-five states responded. Pennsylvania submitted two responses – one from the Pennsylvania Department of Education and one from the Pennsylvania Commission for Community Colleges. The five states that did not respond are Hawaii, Idaho, Maryland, Montana and South Dakota.

Funding of Community College Workforce Development

State funding for training in high-demand fields. Twenty-one states provide special funding to community colleges to train workers for high-demand occupations. The type of funding varies by state and includes scholarships, grants, incentive funding and loan forgiveness programs. The amount of funding ranges from under \$1 million in a couple of states to \$45 million in California.

State funding for training disadvantaged students. Eighteen states provide state funds (in addition to federal funds) to support occupational training of disadvantaged students by community colleges. In all but one of these states, welfare recipients are specifically targeted for such training. The exception is Colorado, which uses its funds to provide training in technology fields to rural workers. The following groups are also targeted for the earmarked state funding: low-income adults (10 states), displaced workers (14), veterans (5), the disabled (8) and at-risk youth (5). Delaware, Florida and Mississippi provide funding for training of ex-offenders. Kentucky funds training of inmates at state prisons.

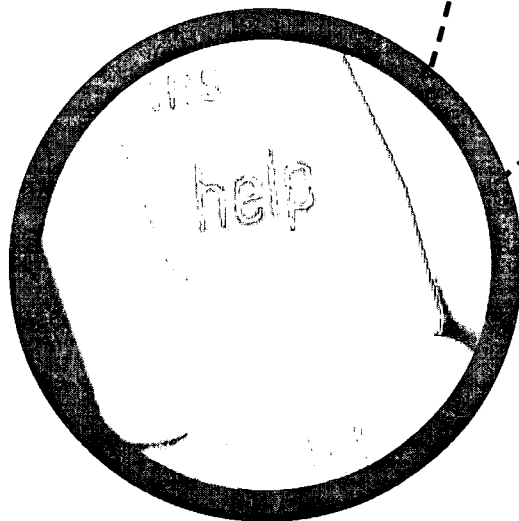
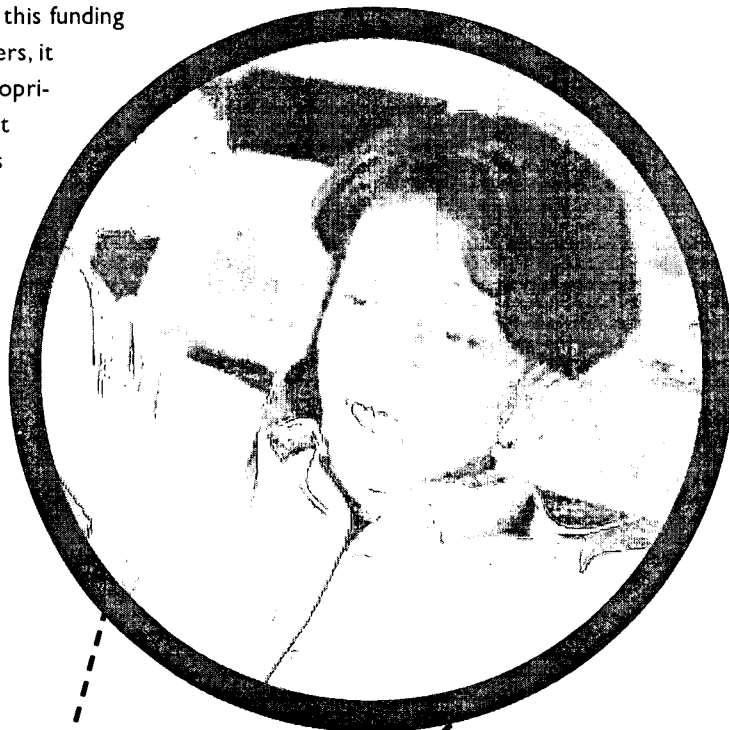
State funding of customized training for employers. Thirty-two states provide state funding to support customized training for employers. Most states impose restrictions on the use of such funds. The level of such funding varies by state, ranging from under \$1 million in several states to \$50 million in New Jersey. At least eight states require matching support from the employers served. In many cases, such funds are distributed through a state economic development agency. Generally, community colleges compete with other training providers for these funds.

State funding for noncredit occupational training. Twenty states fund noncredit occupational training (apart from customized training for employers) at community colleges. In most cases, such funding is provided through the general state appropriation for community colleges. In these states, it is usually left to the individual institution to decide how to spend such funds. In other cases, funding for noncredit programs is provided through grants. At least four states – Illinois, New Jersey, Oregon and South Carolina – support noncredit occupational training through the state funding formula for community colleges.

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Funding of training equipment. Seventeen responding states provide special funding to help community colleges purchase, maintain or replace computers and other equipment for workforce training. The amount of funding varies, ranging from under \$500,000 in Kansas and Nebraska to \$25 million in Missouri. In some cases, this funding is provided through grants. In others, it comes as part of annual state appropriations. Several states indicated that the amount of appropriation varies considerably from year to year. In Maine, community colleges secure funding for equipment through periodic bond referendums. Community colleges in North Dakota are authorized to obtain funds on a revolving loan basis from the state-owned Bank of North Dakota.

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Current Policy Issues in Community College Workforce Development

The survey asked respondents to indicate which policy issues related to community college workforce development have been debated by policymakers or enacted as legislation or higher education board policy in the past two years. The following table summarizes the responses.

Issue	States Where Issue Debated	States Where Legislation or Board Policy Enacted
Implementation of Workforce Investment Act	16	27
Level of funding for workforce development	17	18
State role in customized training for industry	17	18
Worker shortages	22	17
Welfare to Work	19	15
Coordination of workforce funding	25	14
Retraining displaced workers	17	13
School to Work	21	12
Funding of technology for workforce development	20	12
Distance learning for workforce training	22	10
Workplace or vocational literacy for adults	19	9
Transfer of AAS credits toward bachelor's degrees	16	9
Digital divide	22	4



Implementation of the Workforce Investment Act (WIA) was the issue with the most policy activity in the responding states during the past two years. This is not surprising, given that WIA went into effect in July 2000. Coordination of workforce funding, an issue raised by WIA, was a source of policy debate and action in about one-third of the responding states.

Worker shortages were another issue of concern to state policymakers during the two years prior to the survey. Were the survey to be administered today as the nation struggles to recover in the wake of September 11, state policymakers might perceive retraining of displaced workers as a higher priority than addressing worker shortages. Nevertheless, the survey was administered at a time when much of the nation was in recession, and several states reported that shortages of skilled workers in health care and other fields continue to be a problem.

The digital divide is an issue that raises considerable debate, but not much policy action. The lack of action is perhaps not surprising because this is a complex problem that does not have a clear solution.

The role of states in customized training for industry was the source of policy debate and action in numerous states. Many state legislatures have struggled with determining an appropriate balance in the public versus private benefits of state support for customized training for business and industry utilizing public funds.

Continuing Challenges

The survey asked respondents to indicate what they see as the main challenges community colleges in their state face in seeking to respond to the workforce training needs of employers and workers. Forty of 45 states responded to this question. The following table summarizes their responses.

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Challenge	Responses	States
Lack of funding	30	AK, AL, AR, CA, CO, CT, DE, IA, IN, KY, LA, MA, ME, NE, NM, NV, NY, OH, OK, OR, PA, RI, SC, TX, UT, VA, VT, WA, WI, WV
Lack of funding for training in high-demand, high-cost fields	12	AL, AZ, CO, DE, IL, IN, KY, NM, OH, PA, TX, VA
Need for better coordination among workforce agencies	8	AR, CA, DE, MN, NY, PA, RI, VT
Community colleges not recognized for their role in workforce and economic development	6	IL, KS, MA, NJ, NM, NY
Need to improve responsiveness of community colleges to changing labor market needs	6	AZ, IL, MN, MO, PA, WV
Recruiting qualified faculty for high-demand fields	5	AL, DE, NC, NM, TX
Need for coordination among education agencies	4	FL, IN, MS, OK
Lack of state funding for noncredit workforce training	4	MA, PA, VA, WV
Serving rural areas where good jobs are scarce	3	IA, NM, NY
Improving preparation and flow of recent high school graduates into postsecondary career education	2	GA, WI
Increasing burden for funding of workforce training on student-supported tuition	2	CO, IA
Lack of financial aid for part-time, working students	1	AR

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Lack of funding for workforce development is a challenge facing community colleges in a majority of responding states. The respondent from Ohio described the challenge as follows:

The state budget reductions for higher education have placed major limitations on the ability of higher education to make investments in technology, human resource development and breakthrough program development needed to prepare a technologically competent workforce.

The respondent from neighboring Pennsylvania put it this way:

The 70% state reimbursement the colleges receive [for workforce programs] is insufficient to keep equipment up to date and maintain a qualified workforce staff, including program coordinators and instructors.

In Kentucky, the workforce development departments are self-supporting units in community colleges. According to the respondent from Kentucky, these units "are continually challenged to generate revenue for 'R&D' functions and equipment."

To support workforce-training programs, community colleges often need to cobble together funding from a variety of sources. "Coordinating the multiplicity of funding sources into a coherent package that makes it possible to sustain existing programs and start new ones" is a major challenge for community colleges, according to the respondent from Washington State.

Fostering greater coordination and communication among the many state agencies involved in workforce development would facilitate access to funding and supportive services for community colleges and their students. Several states indicated, however, that achieving such coordination is difficult.

The restrictions tied to specific funding streams often make it difficult for colleges to create programs responsive to workforce needs. To avoid these constraints, colleges will sometimes eschew state funding. This creates other problems. For example, as the Pennsylvania respondent pointed out: "To respond quickly to the needs of employers, colleges tend to offer workforce training as noncredit, but this disqualifies the employee/student from receiving financial aid."

It does not help that community colleges are often not recognized for the role they play in workforce and economic development. According to the respondent from New Jersey,

Although we have made some progress in recent years, we still need to increase the prominence of community colleges in state workforce and economic development initiatives. It may be more sexy to tout the research universities in such initiatives, but community colleges are critical. We need to be involved on the front end of discussions with companies coming to New Jersey. We need to be represented on foreign trade missions.



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Several states pointed out the disconnect between the waning willingness of policymakers to support workforce development programs while these same policymakers stress the growing importance of a skilled labor force. Several states indicated that the lack of funding and support constrains the capacity of community colleges to offer programs in high-demand fields such as nursing and information technology for which training is expensive. When state reimbursement formulas do not take into consideration the higher instructional costs for such programs, the colleges are actually financially penalized for offering access to these high-demand programs rather than lower-cost general education courses. These fiscal challenges are exacerbated by the challenge of recruiting qualified faculty members for high-demand programs who can command much higher salaries in the private sector.

Beyond the lack of support and funding, several states acknowledged that colleges face internal constraints – from labor unions to tension between the academic and workforce missions – on their ability to respond rapidly and flexibly to changing workforce needs.

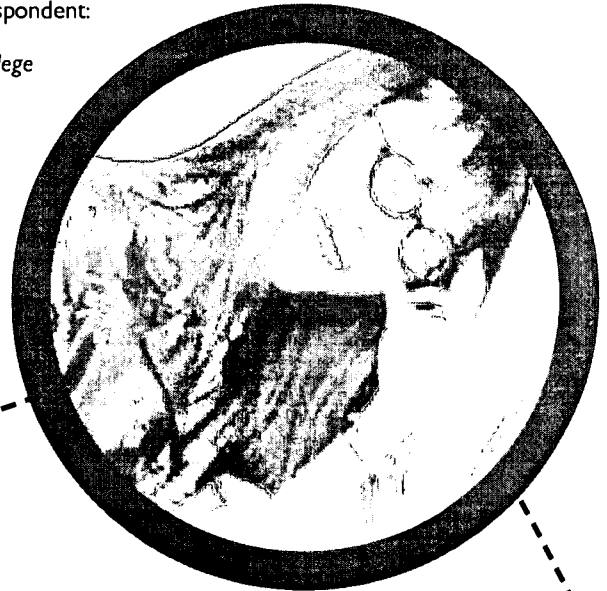
Some states would like to improve coordination among education institutions and agencies. Florida and Oklahoma are seeking to bring about greater cooperation between secondary school and postsecondary agencies responsible for vocational/technical training. Indiana and Mississippi are struggling with how to improve cooperation between community college and baccalaureate institutions. According to the survey, 23 states have in place policies to encourage transfer or articulation of Associate of Applied Science (AAS) degree credits toward a bachelor's degree.

Iowa, New Mexico and New York mentioned the challenge of providing workforce training in rural areas where there are few good jobs. Nevada is facing a somewhat different challenge:

To diversify economically, Nevada is seeking to produce a highly trained workforce that would attract high-tech industry. It is difficult to do this, however, when the new industry has not yet arrived in the state.

Indiana, Louisiana, and West Virginia have recently established new community college systems. System building has its own set of challenges. According to the Louisiana respondent:

The Louisiana Community and Technical College System is in its third year of development. Among the challenges the new system faces are (1) insufficient funding, (2) growing the new administrative structure, and (3) lack of common understanding and agreement about the mission of the community and technical colleges.



CONCLUSION

The lack of general understanding, particularly about the mission and impact of community colleges as it relates to workforce development, is not just a problem in Louisiana. At least 19 states have recognized this role and have designated community colleges as the lead agency for workforce education and training. Even within these states, and in many others, the role of community colleges in workforce development is not well understood by policymakers and the general public. Too often community colleges are seen as "junior colleges" or "remedial institutions."

This widespread lack of appreciation for their contributions to local economic development is surely one reason that community colleges are often poorly funded, particularly in comparison to four-year institutions. The previously quoted statement (page 7) from the New Jersey respondent is telling. Universities are quick to remind legislators of the importance of their research and graduate programs to economic development. Community colleges are generally not adept at promoting themselves, even though they often have a profound impact on local economies through, for example, programs that benefit less educated students and small- and medium-sized employers, neither of which are well-served by the education or research of four-year institutions.

For example, two years ago, voters in Arizona passed Proposition 301, which channeled almost \$500 million a year to improving education in the state with the aim of enhancing the state's economic competitiveness. Even though they helped to draft the legislation, community colleges only receive 3% of these funds. The lion's share goes to the K-12 system (85%) and the state universities (12%). In 2000, Nevada's governor commissioned a national consulting group to develop a plan for promoting greater economic diversification in the state. The final plan focused primarily on the role of university research and largely overlooked community colleges. In response, the Nevada community colleges have developed a plan for promoting entrepreneurial activity in which the colleges would work closely with local business groups.

Community colleges need to do a better job both of documenting the impact of their programs on local labor forces and economies, and of publicizing their impact to policymakers and the general public. This would surely provide ammunition for their perennial battles for state funding. This information could also be used to raise awareness of their multifaceted roles among prospective students, employers and the public in general. Paying closer attention to the outcomes of their programs would also help to ensure community colleges continue to be effective in responding to the needs for education and training of the communities they serve.



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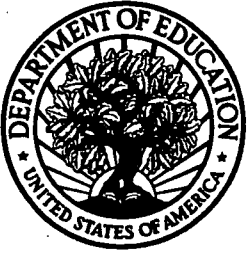
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