

# **Strengthening Student Success Conference: October 10, 2013**

## **New Strategies to Fund and Support Career Pathway Programs**

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# Wage Outcomes

- ▶ Statewide median for wages 5 years after award
  - ▶ \$52,700 for Associate Degrees,
  - ▶ \$49,700 for Certificates and
  - ▶ \$42,200 for Locally Approved Certificates & Awards.
- ▶ Median wages 5 years after award for students with associate degrees in vocational disciplines was \$66,600 compared to \$38,500 for those with non-vocational associate degrees.

Patrick Perry, *CCC Chancellor's Office Student Success Update: Scorecard and WageTracker*, May 2013



# Wage Outcomes

- Nearly 50% of students from CCC who earned an AA/As and who had not transferred to a four year institution had median wages 5 years after earning the award of more than \$54,000, the median wage for those in California whose highest degree was a Bachelor's Degree.
- 25% of students from CCC who earned an AA/AS and who had not transferred to a four year institution had median wages 5 years after earning the award of more than \$81,000. This was higher than the median income for those in California who's highest degree was a Master's Degree (\$72,000).

Patrick Perry, CCC Chancellor's Office Student Success Update:  
Scorecard and WageTracker, May 2013



# Wage Outcomes

- ▶ Associate Degrees with the highest median incomes 5 year after award include Registered Nursing (\$81,640), Radiologic Technology (\$81,573) and Respiratory Therapy (\$72,582).
- ▶ Certificates with the highest median incomes include Paramedic (\$113,360), Electrical Systems & Power Transmission (\$107,466) and Water & Wastewater Technology(\$79,205).

Patrick Perry, *CCC Chancellor's Office Student Success Update: Scorecard and WageTracker*, May 2013



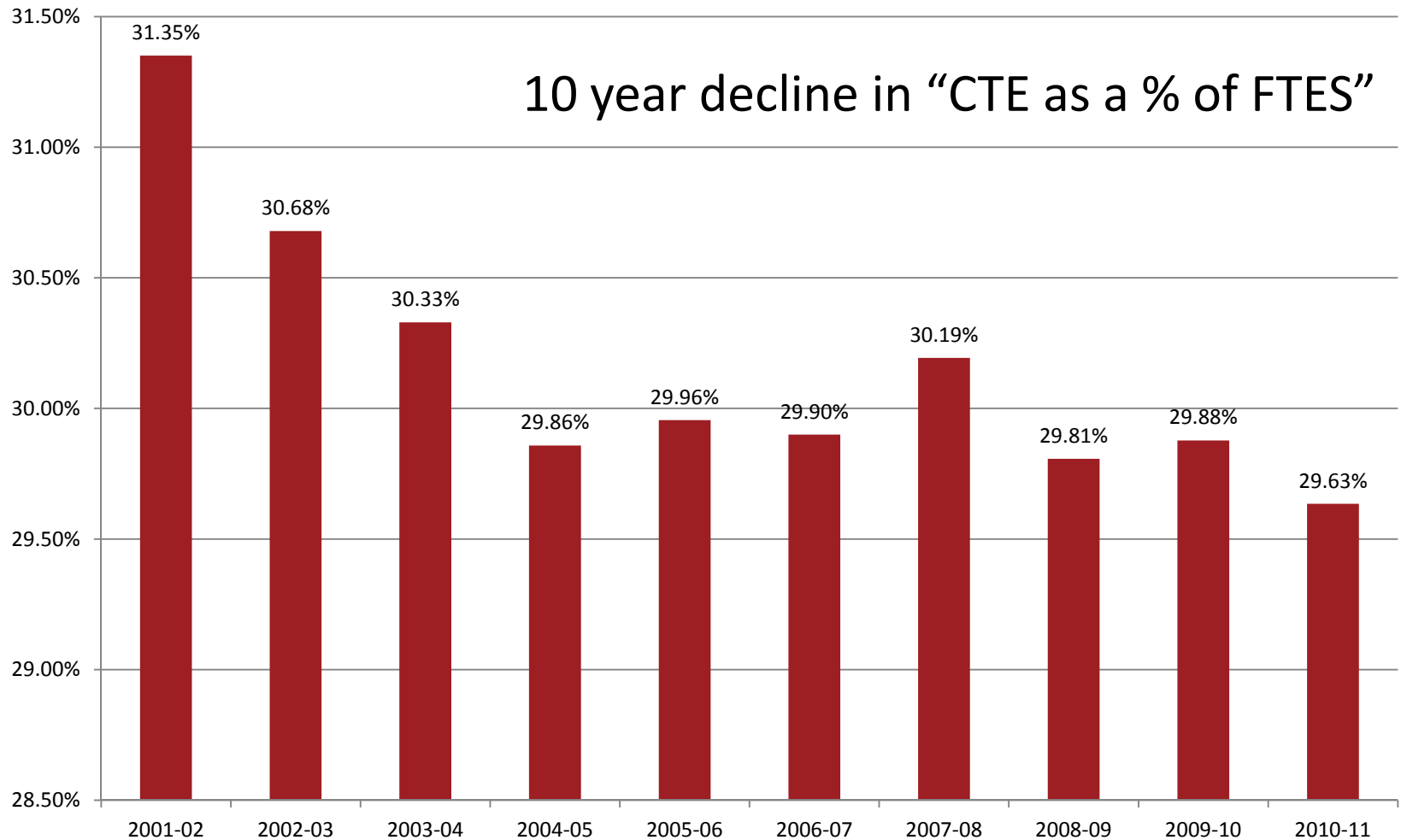
# Recognition, Downsizing and Contraction

- ▶ Recognition of looming “skills gap” + “demographic gap”
- ▶ Growing recognition of role of community colleges, particularly in workforce and economic development
- ▶ Increased emphasis on completion
- ▶ But, downsizing and contraction over last several years:
  - ▶ Overall loss of funding resulted in decrease of some 600,000 students across the CCC system
  - ▶ Downsizing of Adult Education since “flexing” of funds in 2009 led to loss of over 1 million students from that system
- ▶ Disproportionate cuts to CTE programs





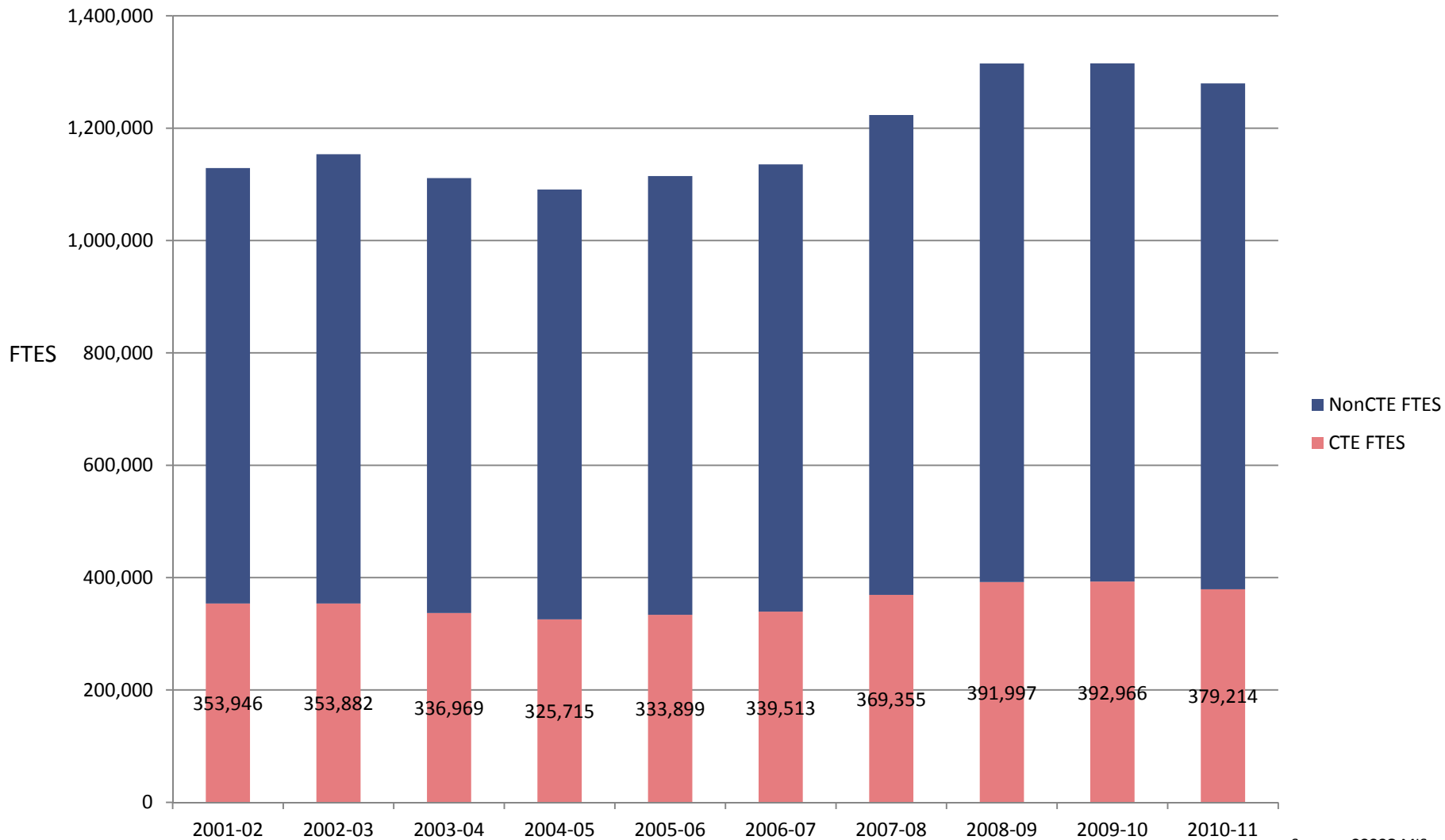
# Is our system trending the right way?



Source: CCCC MIS



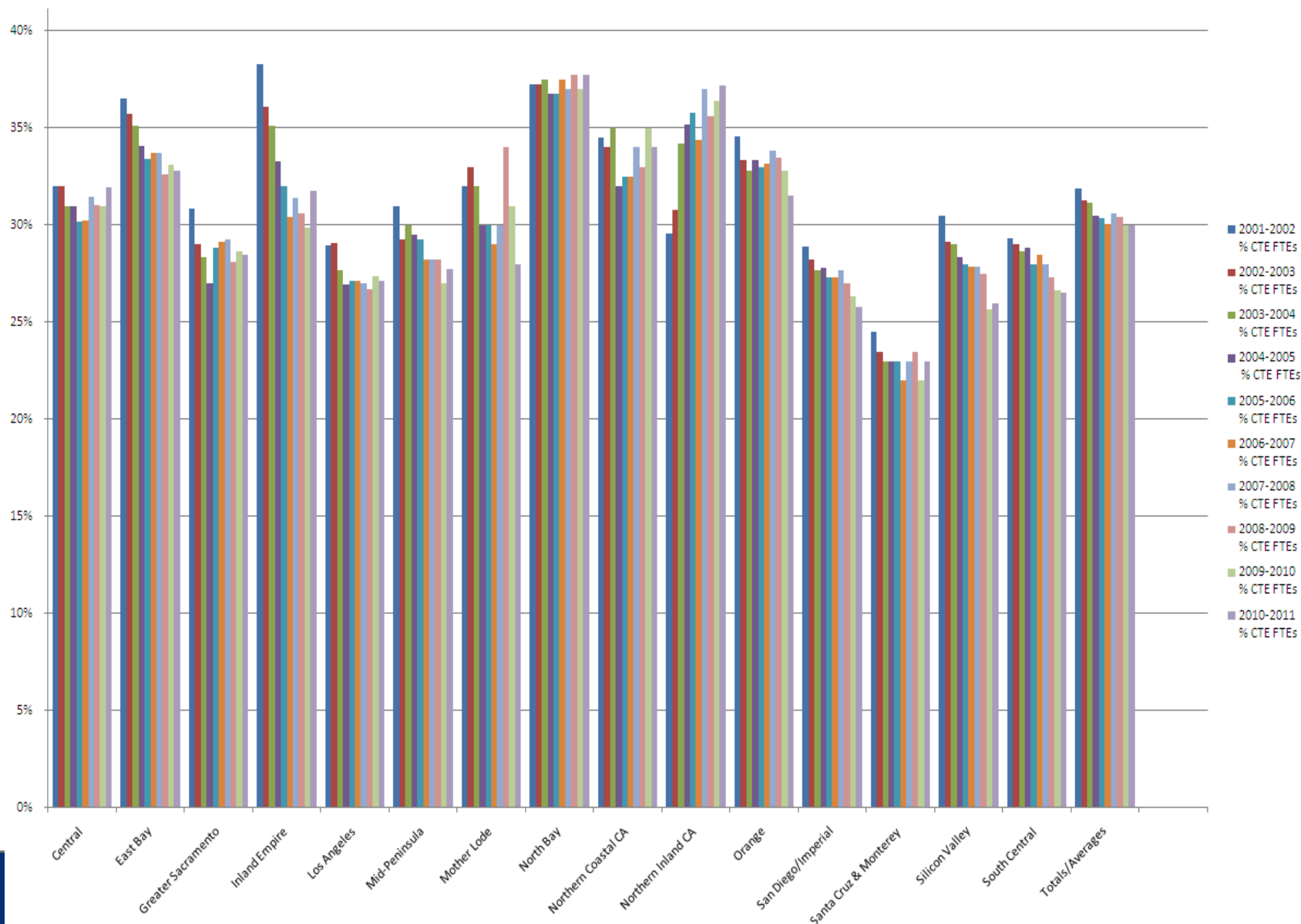
# State apportionment not proportionally being used on CTE.



Source: CCCCC MIS



# Your region's 10-year trend in career technical education (CTE) portfolio as % of FTES





# The CTE Dilemma: An Undervalued Mission

- ▶ CTE subordinated to transfer mission –
  - ▶ In governance, funding and relative status
  - ▶ Applied learning frowned on by CSU and UC; no applied baccalaureate
- ▶ Flat reimbursement model – no differential funding for high cost programs
- ▶ Need for “venture capital” and seed funds as well as ongoing support
  - ▶ Overreliance on short-term grant funds; constant fund raising to run core
  - ▶ Competition prioritized over collaboration
  - ▶ Loss of instructional equipment categorical a critical factor
- ▶ Intense competition for seats in high demand/high wage programs
  - ▶ Reverse transfer crowds out first generation and low-income students
  - ▶ Lack of prioritization and disconnection from basic skills instruction



# Other funding streams ...

## ▶ **SBI070**

- ▶ Note: SB70 to SBI070, then sunsets after next year

## ▶ **CA Career Pathways Trust– SB594-Steinberg**

- \$250M appropriated in the 2013-14 State Budget
- Competitive grants to support career pathways programs, K-14 alignment, and work-based learning
- Administered by CDE; K12 or CCCs can be lead fiscal agent

## ▶ **Federal support for pathways and sector work**

- TAACCCT grants in CA
  - C6 Consortia (Central Valley/West Hills CCD) \$20M
  - Design It, Build It, Ship It (East Bay/CCCD) \$15M
  - LA Healthcare Competency to Career Consortium (LATTC) \$19M
  - A number of single college or district awards across state.
- DOL WIF grant: Silicon Valley ALLIES





# The Convergence

CA State  
Workforce Plan



- CA Workforce Investment  
(CWIB) Board

- CWIB State Agency  
Leadership Group

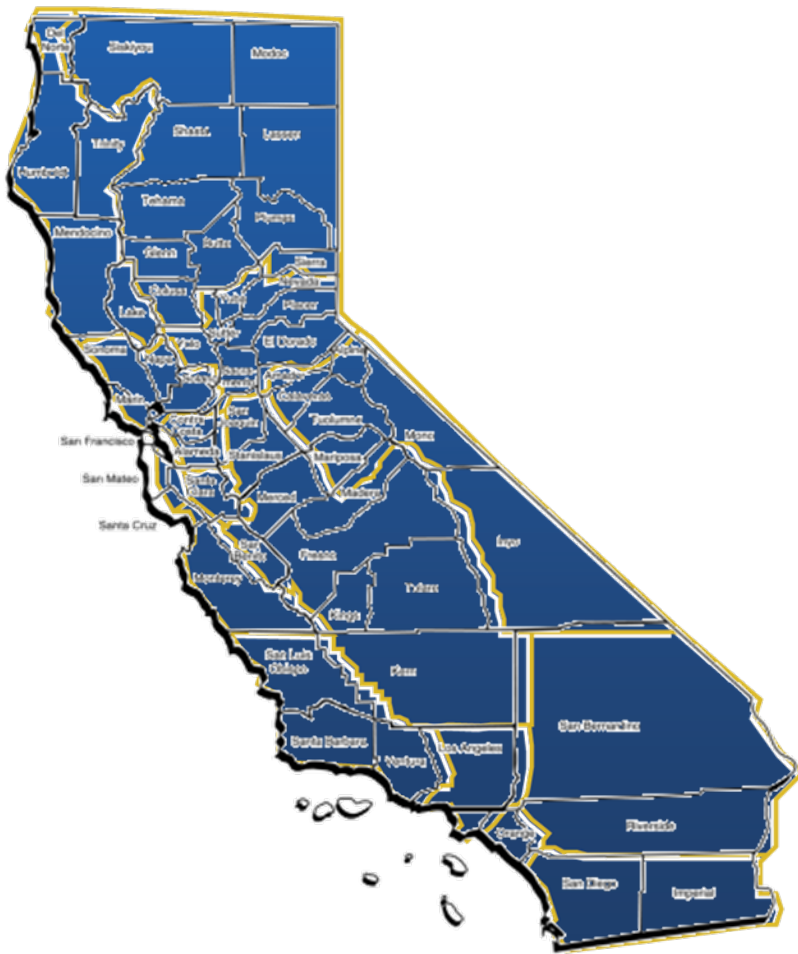
- Regional Forums

- Community college  
field feedback

Unmet Regional Need for In-Demand and High-Growth CTE



# California's reality: many regional economies

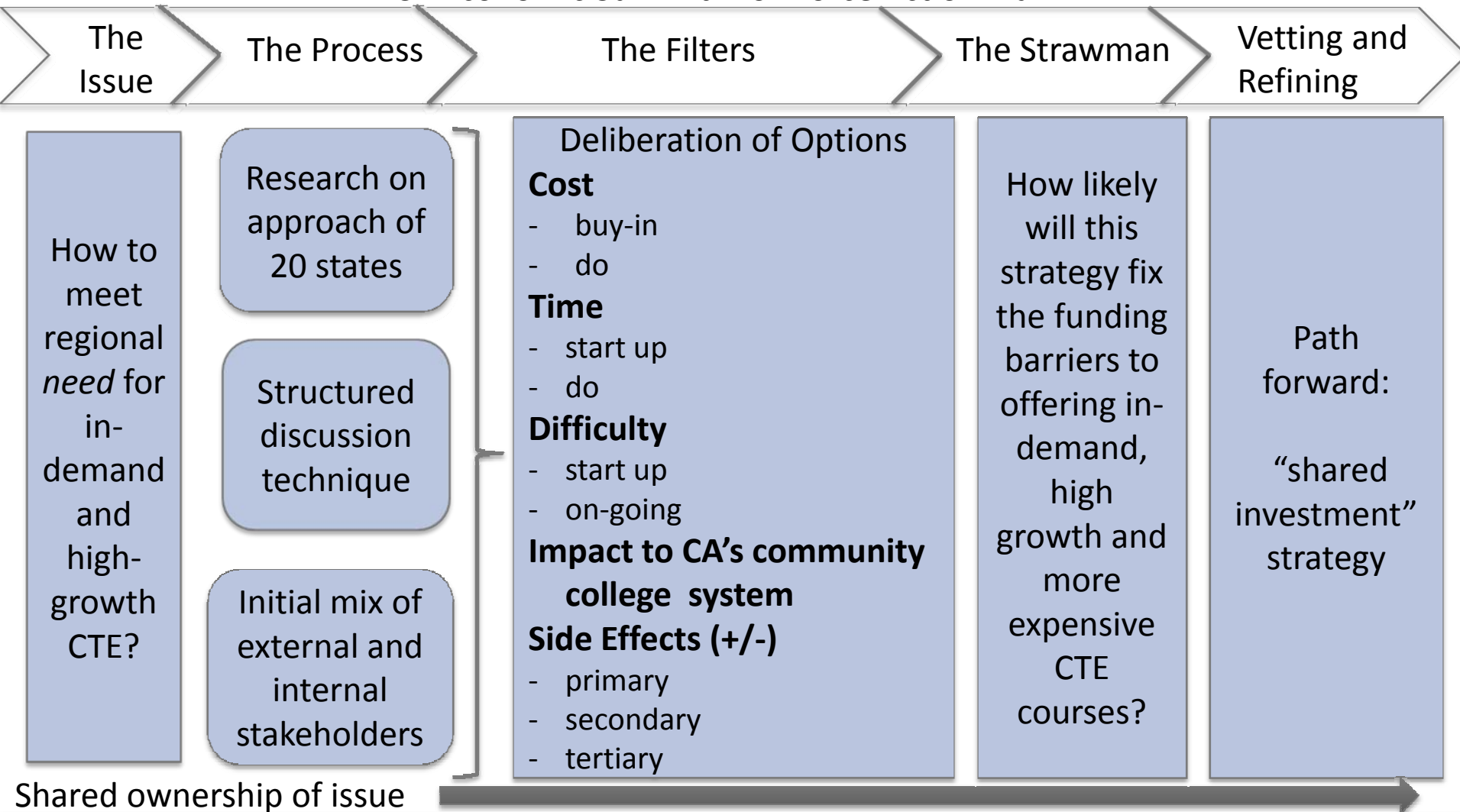


- San Diego/Imperial
- 
- Los Angeles
- Orange County
- 
- East Bay
- North Bay
- SF/Mid Peninsula
- Silicon Valley
- Santa Cruz/Monterey
- 
- Inland Empire/Desert
- 
- Greater Sacramento
- Northern Inland CA
- Northern Coastal CA
- 
- South Central
- 
- Central
- Mother Lode



# Determining a Path Forward

## CA Economic Summit Workforce Action Plan





# CTE Shared Investment Model

Substantially grow the “shared investment” in career technical education in high-priority occupations and careers critical to regional economies.

In several states, institutions are reimbursed at higher rates for high-demand occupational/career technical education programs.

Develop a CA shared investment strategy that

- (1) reverses the decade-long decline in CTE investment while
- (2) encouraging much higher levels of regional public-private investment.

This shared investment strategy should provide for incentive funding for CTE that is well-aligned with regional workforce demand, encourages regional collaboration, rewards commitments from business and community partners, and adapts state financial aid systems to incent enrollment and completion in high-priority fields.



# Gathering Input

What's the value to CA if the community colleges could better respond to regional workforce needs?

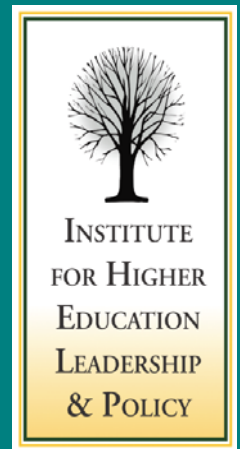
# Workforce Investments: State Strategies to Preserve Higher-Cost Career Education Programs in Community and Technical Colleges

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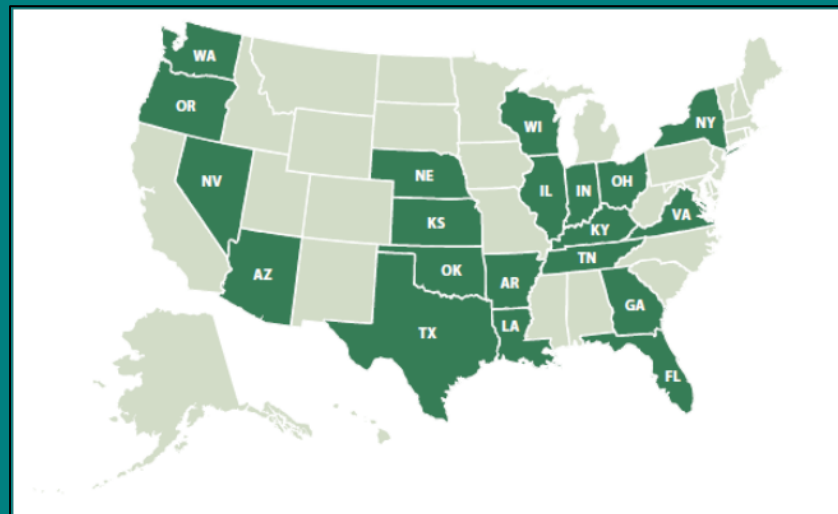
# Wide variance in costs

- California context: Enrollment funding = one rate for all programs

Instructional Costs Per Student Credit Hour National Averages (2011-2012)	
Humanities/Humanistic Studies	\$52
Biology, General	\$64
Engineering-Related Technologies	\$73
Allied Health and Medical Assisting Services	\$131
Drafting/Design Engineering Technologies/Technicians	\$163
Respiratory Care Therapy/Therapist	\$265

# Scope of Study

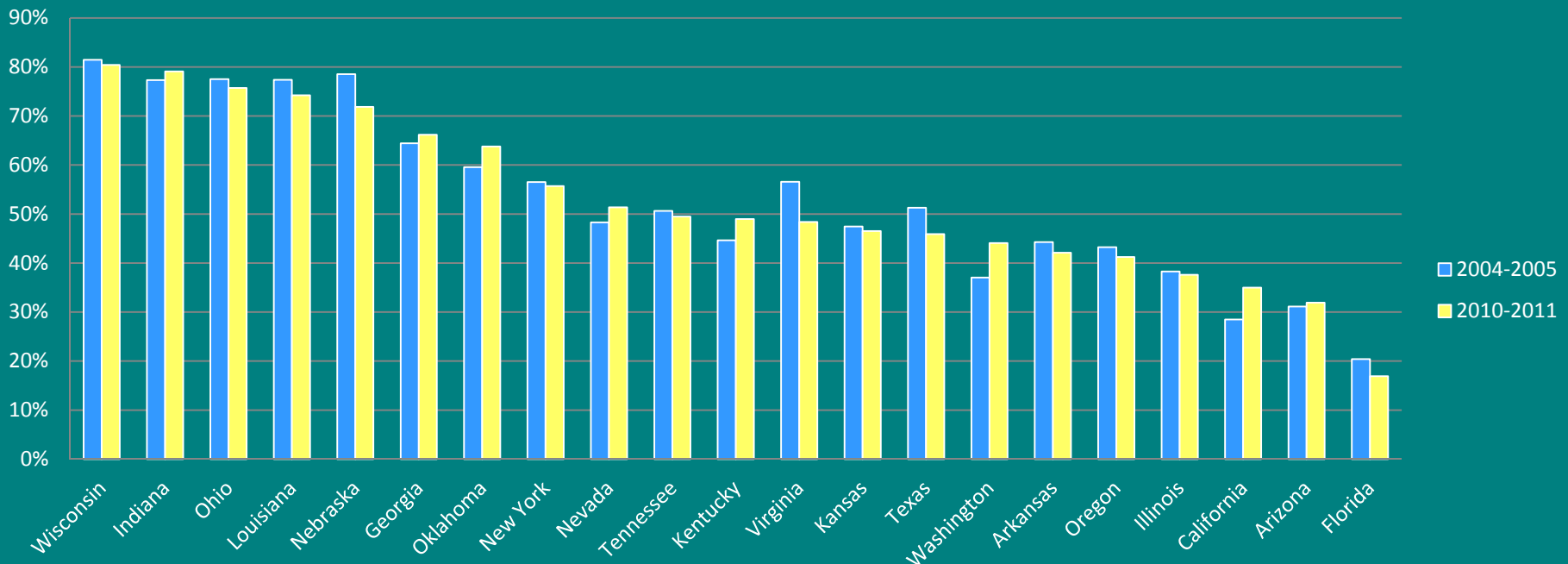
- Examine how 20 states are using finance strategies to preserve high-cost CTE/workforce programs
  - Limited to the use of state general funds
  - Limited to postsecondary institutions



# CTE in Other States

- Thoughtful prioritization of CTE
- A larger portion of associate degrees (includes Associate of Applied Science)

CTE Degrees as % of Total Degrees  
2004-2005 & 2010-2011



# Strategies that May Preserve CTE/Workforce Programs

Strategy	Number of States (out of 20)	California Approach
Separate technical institutions/system	11	All colleges have comprehensive mission
Differential funding based on costs	13	Constant funding rate regardless of program
Performance- or outcomes-based funding	14	Enrollment-based funding
Differential tuition (either for whole system or individual college discretion)	11	Same tuition for all programs
Differential course fees	17	Course materials fees limited by statute

# Separate Technical Systems/Institutions

- 11 out of 20 states have “technical” colleges in 3 types of governance structures, e.g.,
- “Technical” Colleges within a comprehensive system
  - Washington SCTCS
  - Louisiana CTCS
- Technical college systems
  - Technical College System of Georgia
  - Texas State Technical College System
- Free-standing technical colleges not in a system
  - Kansas
  - Ohio

# Differential Funding

- 13 of 20 states differentiate funding by discipline
- Assign costs to discipline categories
- Incorporate cost differentials in final allocations
  - Usually 3-6 categories
  - Higher-cost programs funded 2-3 times higher
- “Fair”
  - Equity in terms of student access to quality programs

# Performance Funding

- 14 out of 20 states have approved PF
- Treats high and low cost programs the same
  - Rewards completions of degrees and certificates
- Can incentivize variety of workforce outcomes
  - Some metrics include job placement, wages, high-need completions, and industry certifications

# Differential Tuition

- 11 out of the 20 states
- Some use it broadly, some selectively
- Some marginally higher, some much higher



# Examples of Differential Tuition (by Program)

	Number of Tiers/Rates	Programs/Disciplines	Tuition Rate
Arizona- Pima District	3	General (liberal arts)	\$65.50 per credit hour
		Level A (e.g., aviation tech; respiratory tech)	\$85.50 per credit hour
		Level B (e.g., nursing, radiologic tech)	\$91.50 per credit hour
Illinois- Central College	Rates vary by program, for multiple programs	Standard	\$99 per credit hour
		E.g., welding, auto body, health	\$124-\$173.25 per credit hour
Ohio- Mid-East Career & Technology Center	Each program has a separate tuition/fee total listed	Practical nursing	\$10,214 for 42 week program
		Welding	\$9,280 for 38 week program
		Heating & air conditioning	\$6,031 for 41 week program

# Course Fees

- 17 of the 20 states charge course fees
- Fees cover lab operation and equipment, supplies, specialized training, assistants
- Examples:
  - Indiana's Ivy Tech college course fees range from \$10 to \$50 for automotive courses, to \$300 for principles of advanced manufacturing
  - At Blue Mountain CC in Oregon, fees range from \$80 for music courses, to \$150 lab fees in welding

# Conclusions

- There is much to learn from other states
  - Most states are very thoughtful about the issue of finance
  - Most celebrate the CTE mission without hesitation, and without detriment to the transfer mission
- These 5 strategies are adaptable

# Implications for California

- Strategy 1: “Technical colleges”
  - Messaging is important
- Strategy 2: Differential funding
  - A different take on equity
- Strategy 3: Performance funding
  - Flexible applications to incentivize workforce outcomes
- Strategy 4: Differential tuition
  - Could apply very selectively
- Strategy 5: Course fees
  - Could loosen statutory restrictions

# Questions?

- Contact Information: [ihelp@csus.edu](mailto:ihelp@csus.edu)
- IHELP Publications:  
<http://www.csus.edu/ihelp>

# For discussion...

- ▶ What should we think about doing in order to fund a robust CTE/career pathway system?
  - ▶ Which strategies would be most successful?
  - ▶ What are/would be the challenges or dilemmas? How could we minimize these?
- ▶ In three years, if this strategy was successfully implemented, from your point of view, what would you say/hope was the positive impact?



## FOR MORE INFORMATION:

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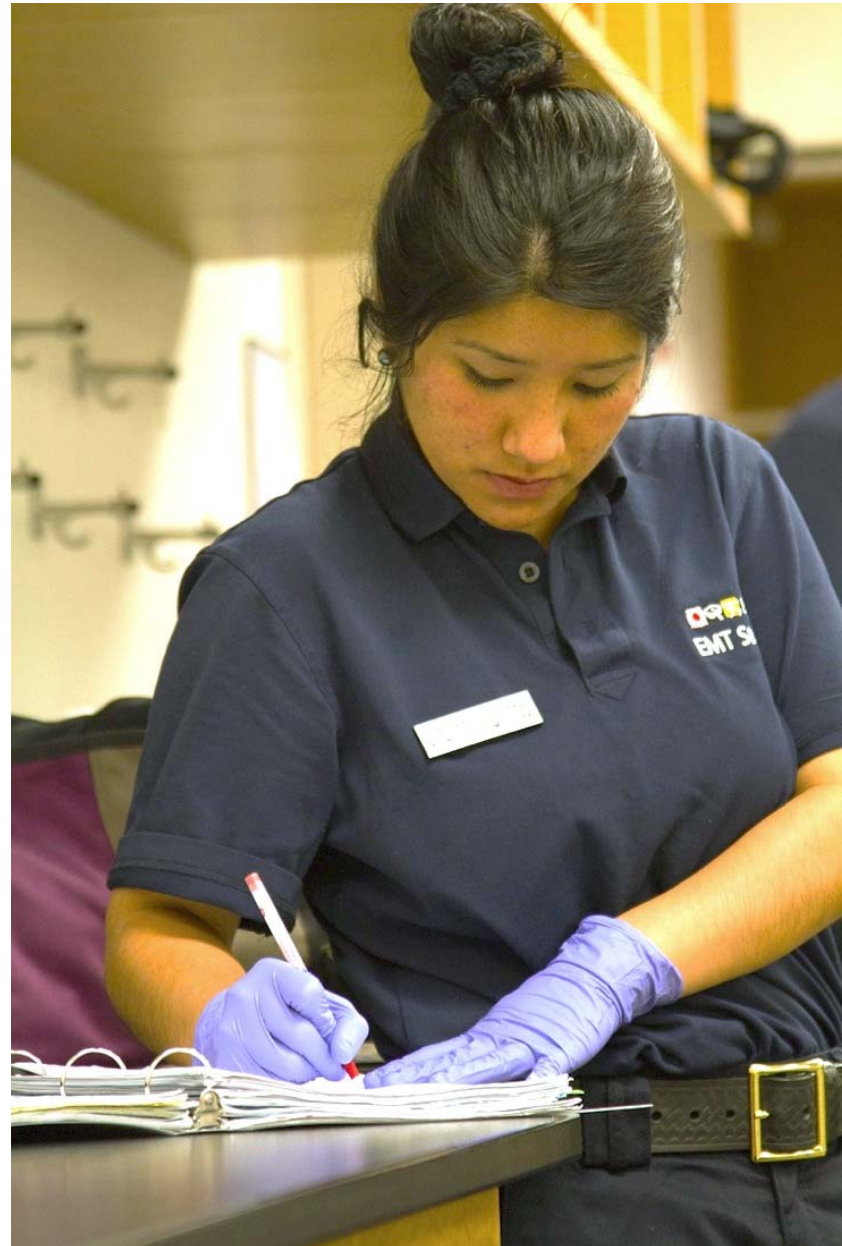
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