Strengthening Student Success Conference:
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New Strategies to Fund and Support Career Pathway Programs

Barbara Baran
CA EDGE Coalition
Linda Collins
Career Ladders Project
LearningWorks

Jodi Lewis
Institute for Higher Education Leadership and Policy (IHELP)

Van Ton-Quinlivan
California Community Colleges Chancellor’s Office
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?

10 year decline in “CTE as a % of FTES”

Source: CCCCO MIS
State apportionment not proportionally being used on CTE.

![Bar chart showing FTES from 2001-02 to 2010-11]

Source: CCCCO 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 . . .

- **SB1070**
  - Note: SB70 to SB1070, 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

The Issue
- How to meet regional need for in-demand and high-growth CTE?

The Process
- Research on approach of 20 states
- Structured discussion technique
- Initial mix of external and internal stakeholders

The Filters
- Deliberation of Options
  - Cost
    - buy-in
    - do
  - Time
    - start up
    - do
  - Difficulty
    - start up
    - on-going
  - Impact to CA’s community college system
  - Side Effects (+/-)
    - primary
    - secondary
    - tertiary

The Strawman
- How likely will this strategy fix the funding barriers to offering in-demand, high growth and more expensive CTE courses?

Vetting and Refining
- Path forward: “shared investment” strategy

Shared ownership of issue
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

Nancy Shulock
Jodi Lewis
Connie Tan
Institute for Higher Education Leadership & Policy
Sacramento State University
Wide variance in costs

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

<table>
<thead>
<tr>
<th>Instructional Costs Per Student Credit Hour</th>
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</thead>
<tbody>
<tr>
<td>National Averages (2011-2012)</td>
</tr>
<tr>
<td>Humanities/Humanistic Studies</td>
</tr>
<tr>
<td>Biology, General</td>
</tr>
<tr>
<td>Engineering-Related Technologies</td>
</tr>
<tr>
<td>Allied Health and Medical Assisting Services</td>
</tr>
<tr>
<td>Drafting/Design Engineering Technologies/Technicians</td>
</tr>
<tr>
<td>Respiratory Care Therapy/Therapist</td>
</tr>
</tbody>
</table>

Source: National Community College Cost & Productivity Project, National Higher Education Benchmarking Institute
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

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

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

• 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:

**Linda Collins**
LCollins@CareerLaddersProject.org

**Barbara Baran**
b.baran@comcast.net

**Jodi Lewis**
ljlewis2@sbcglobal.net

**Van Ton-Quinlivan**
vtquinnlivan@cccco.edu

www.The Career Ladders Project.org