

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



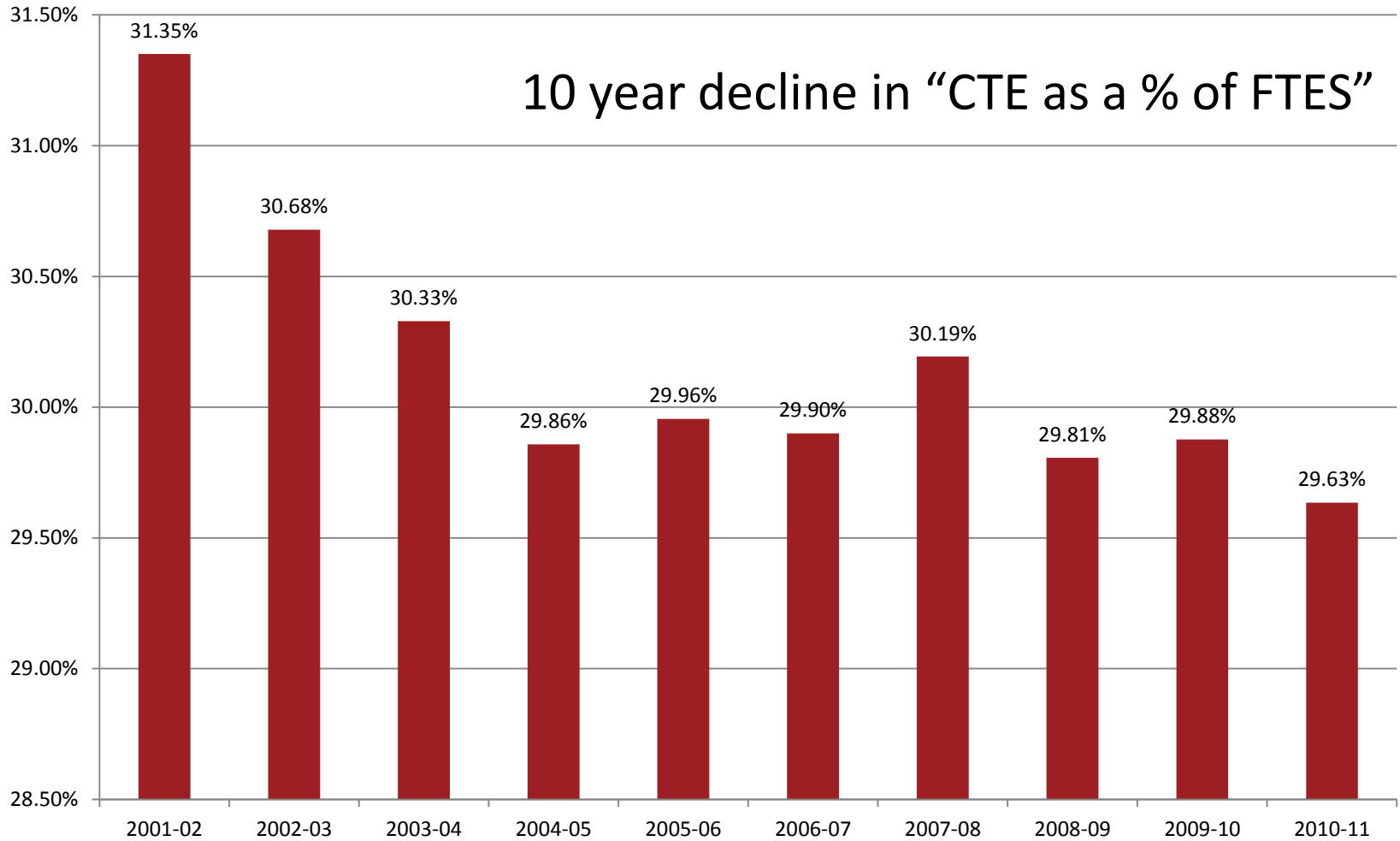
Recognition, Downsizing and Contraction

- ▶ 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





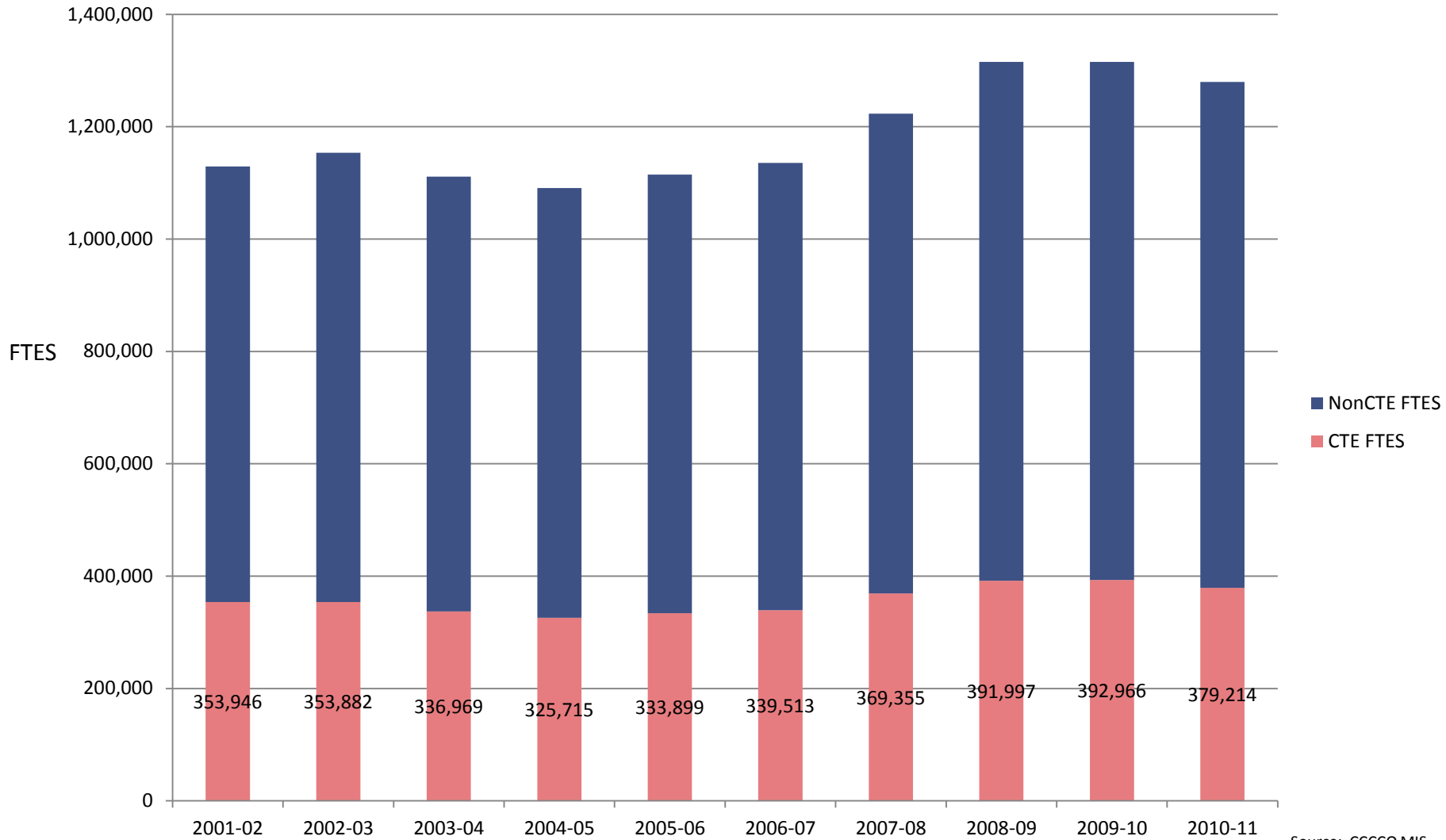
Is our system trending the right way?



Source: CCCCO MIS



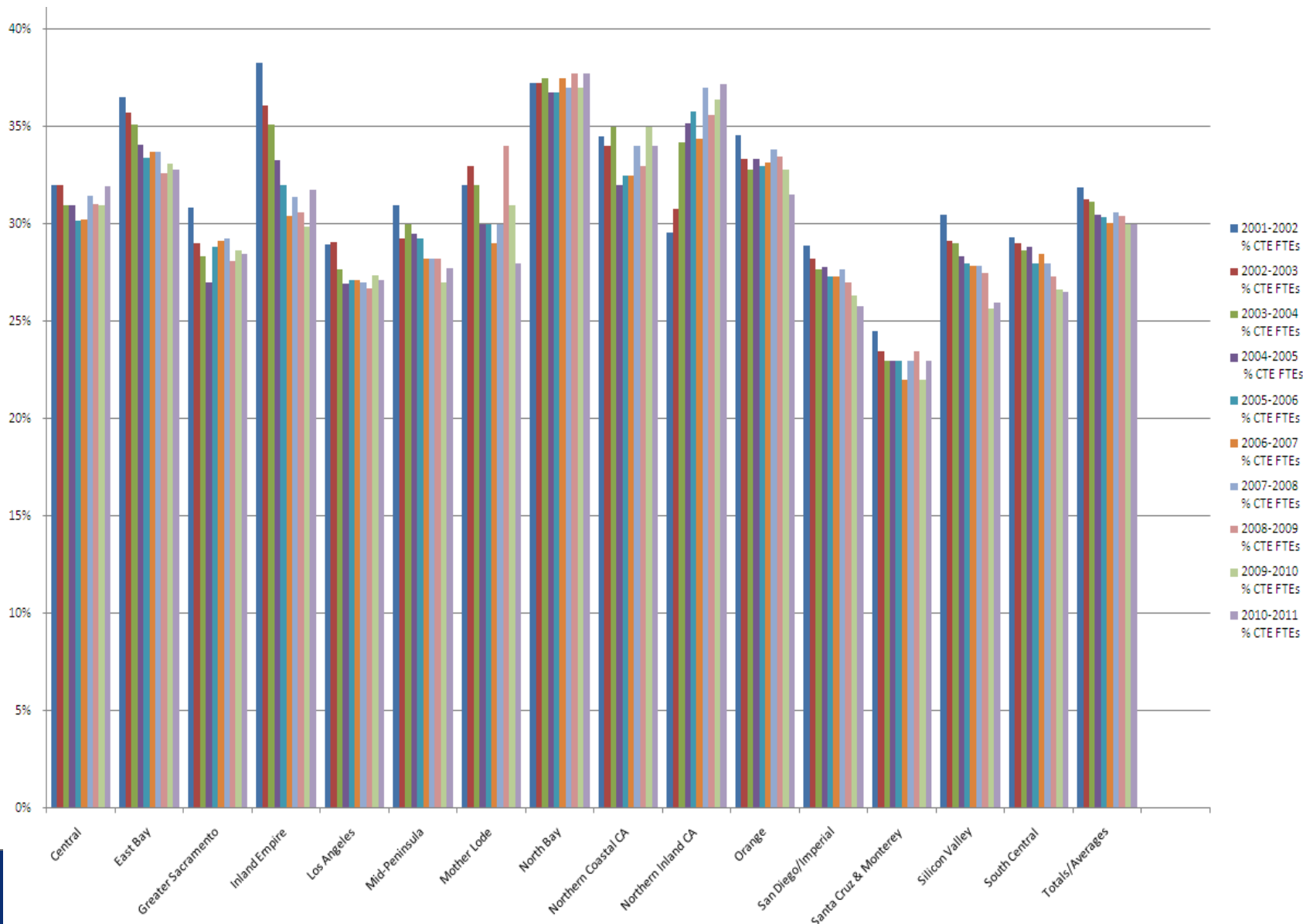
State apportionment not proportionally being used on CTE.



Source: CCCC 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

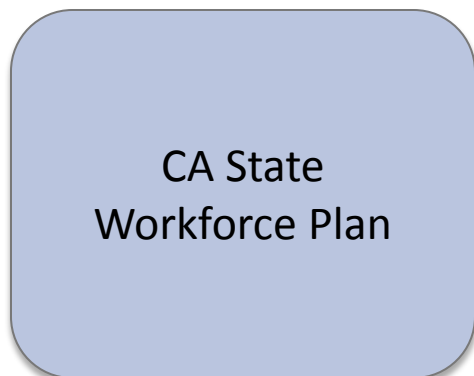
▶ **Federal support for pathways and sector work**

- 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 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

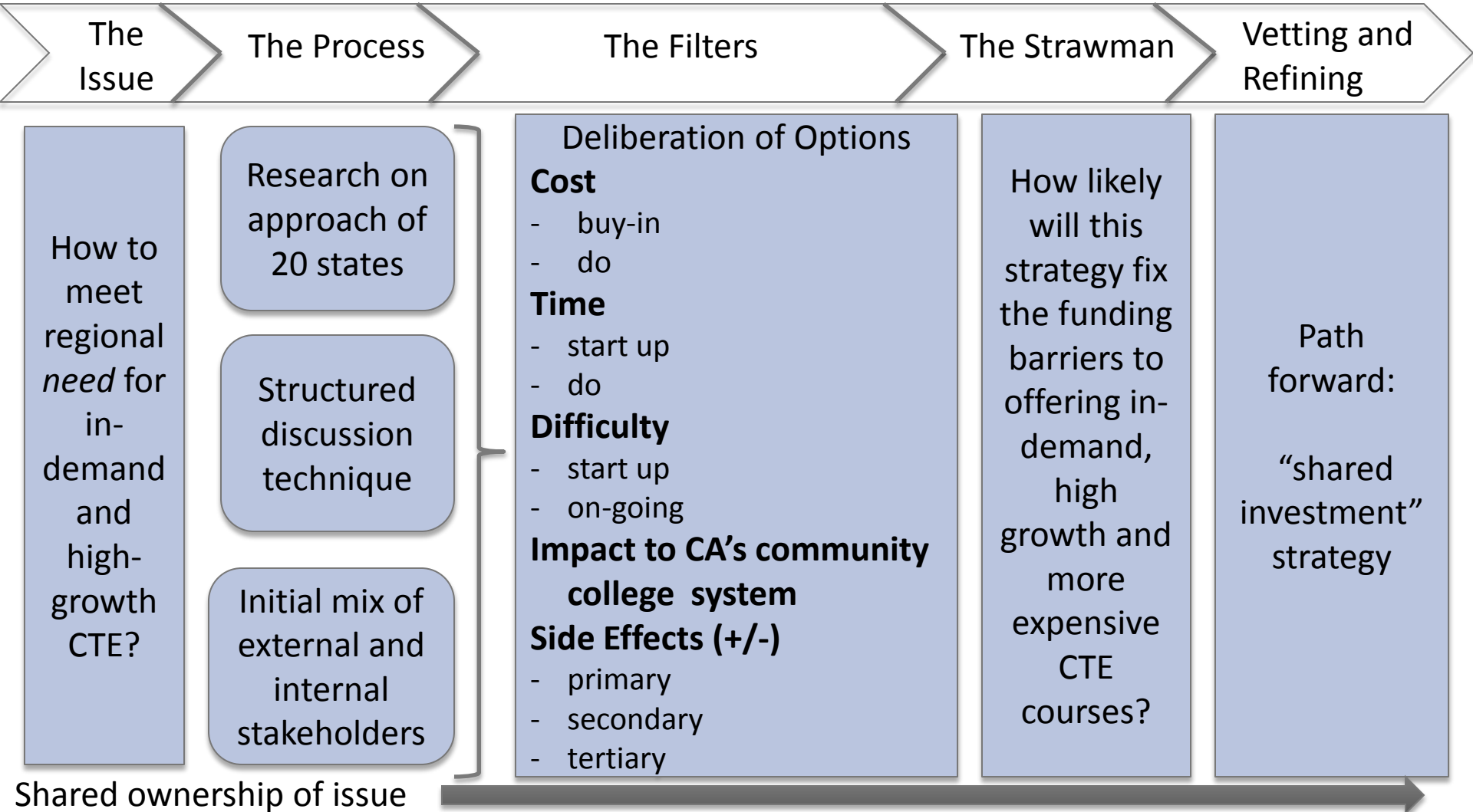


- San Diego/Imperial
-
- Los Angeles
- Orange County
-
- East Bay
- North Bay
- SF/Mid Peninsula
- Silicon Valley
- Santa Cruz/Monterey
-
- Inland Empire/Desert
-
- Greater Sacramento
- Northern Inland CA
- Northern Coastal CA
-
- South Central
-
- Central
- Mother Lode



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?

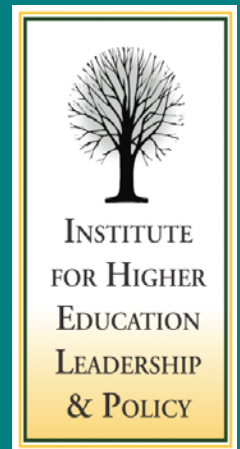
Workforce Investments: State Strategies to Preserve Higher-Cost Career Education Programs in Community and Technical Colleges

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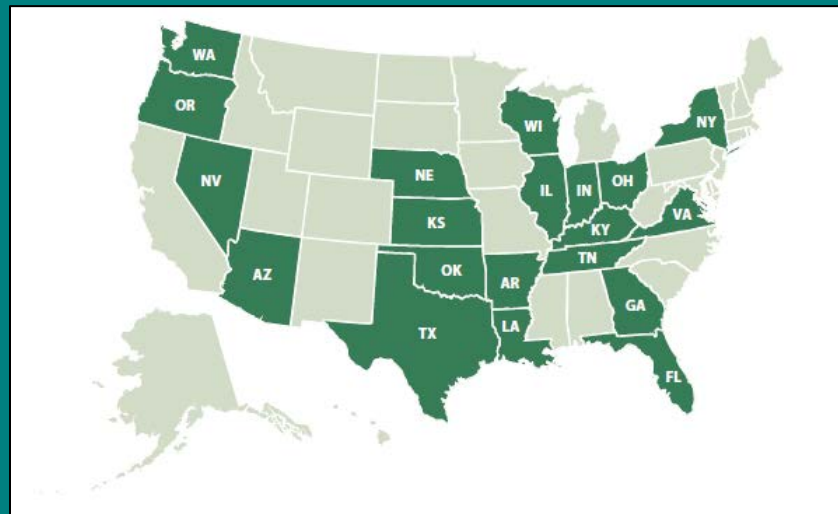
Wide variance in costs

- 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

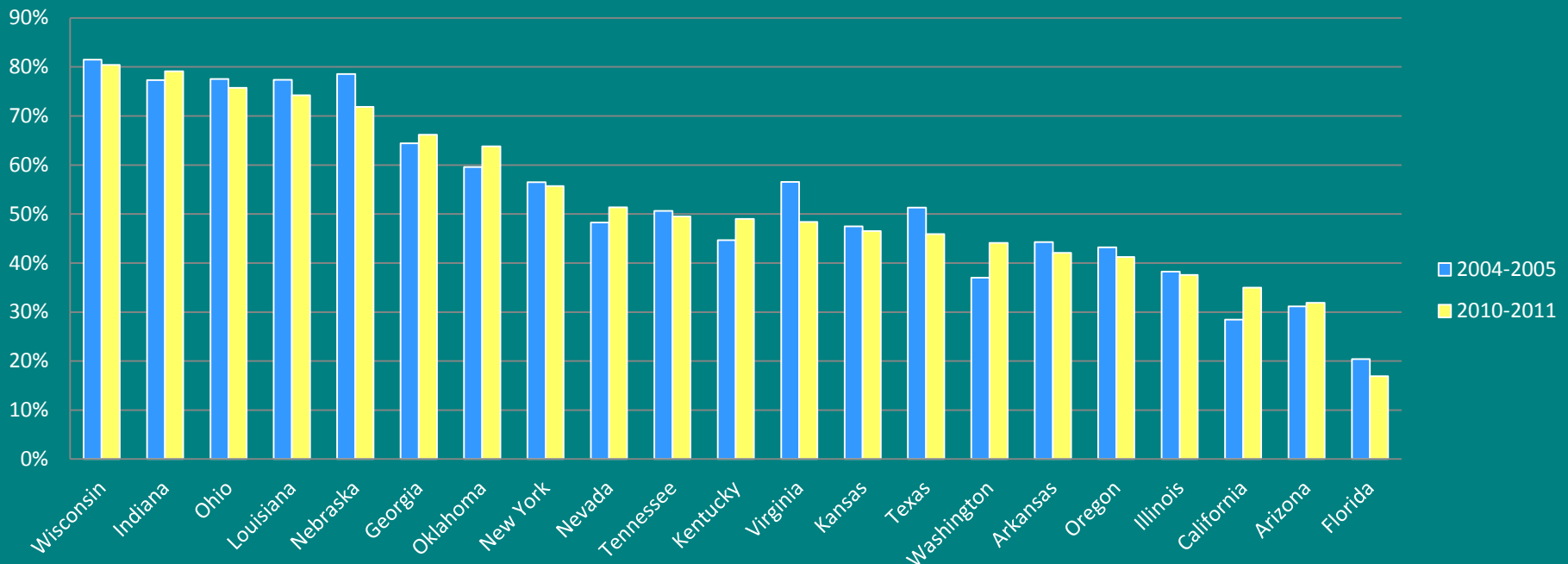
- Examine how 20 states are using finance strategies to preserve high-cost CTE/workforce programs
 - Limited to the use of state general funds
 - Limited to postsecondary institutions



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
- 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?



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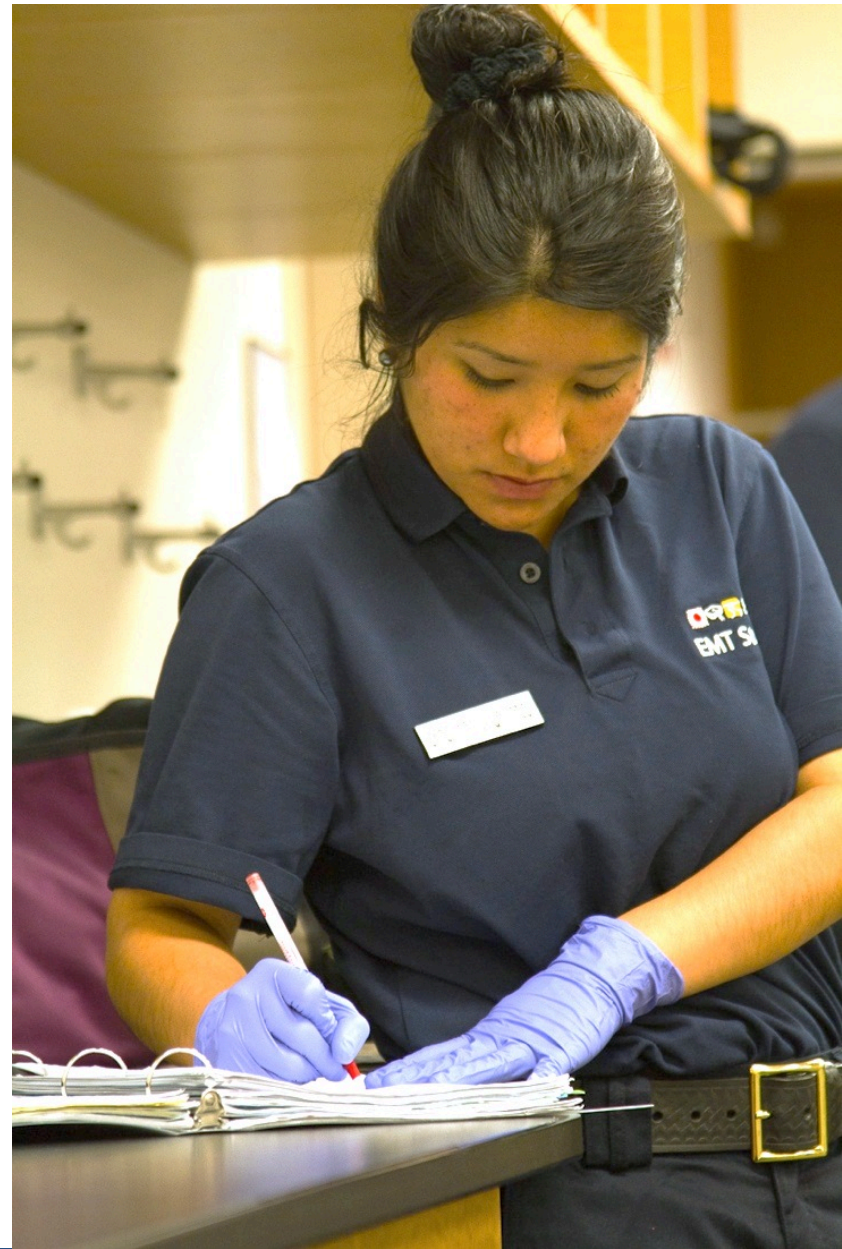
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