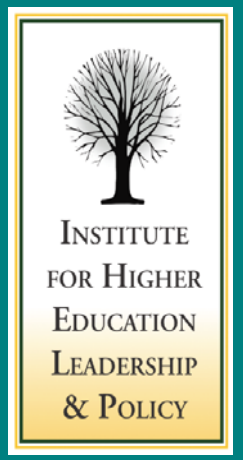
Workforce Investments: State Strategies to Preserve Higher-Cost Career Education Programs in Community and Technical Colleges

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



The California Context

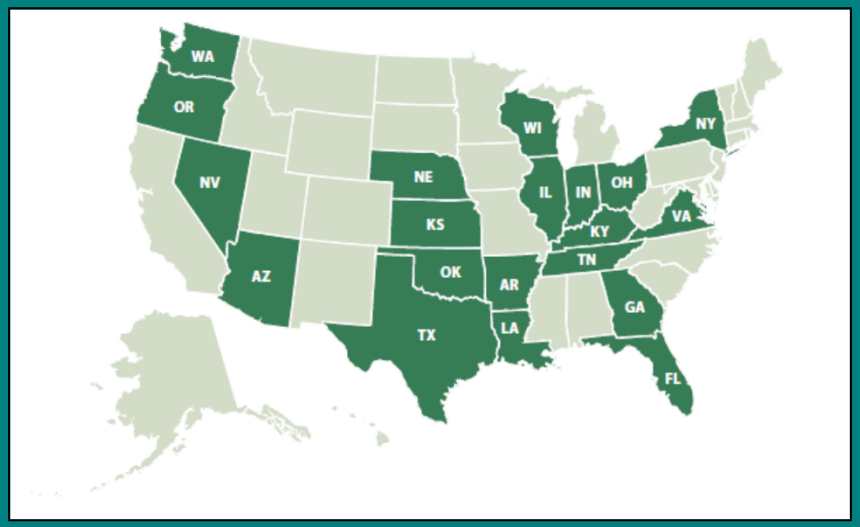
- Enrollment funding = one rate for all programs

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

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

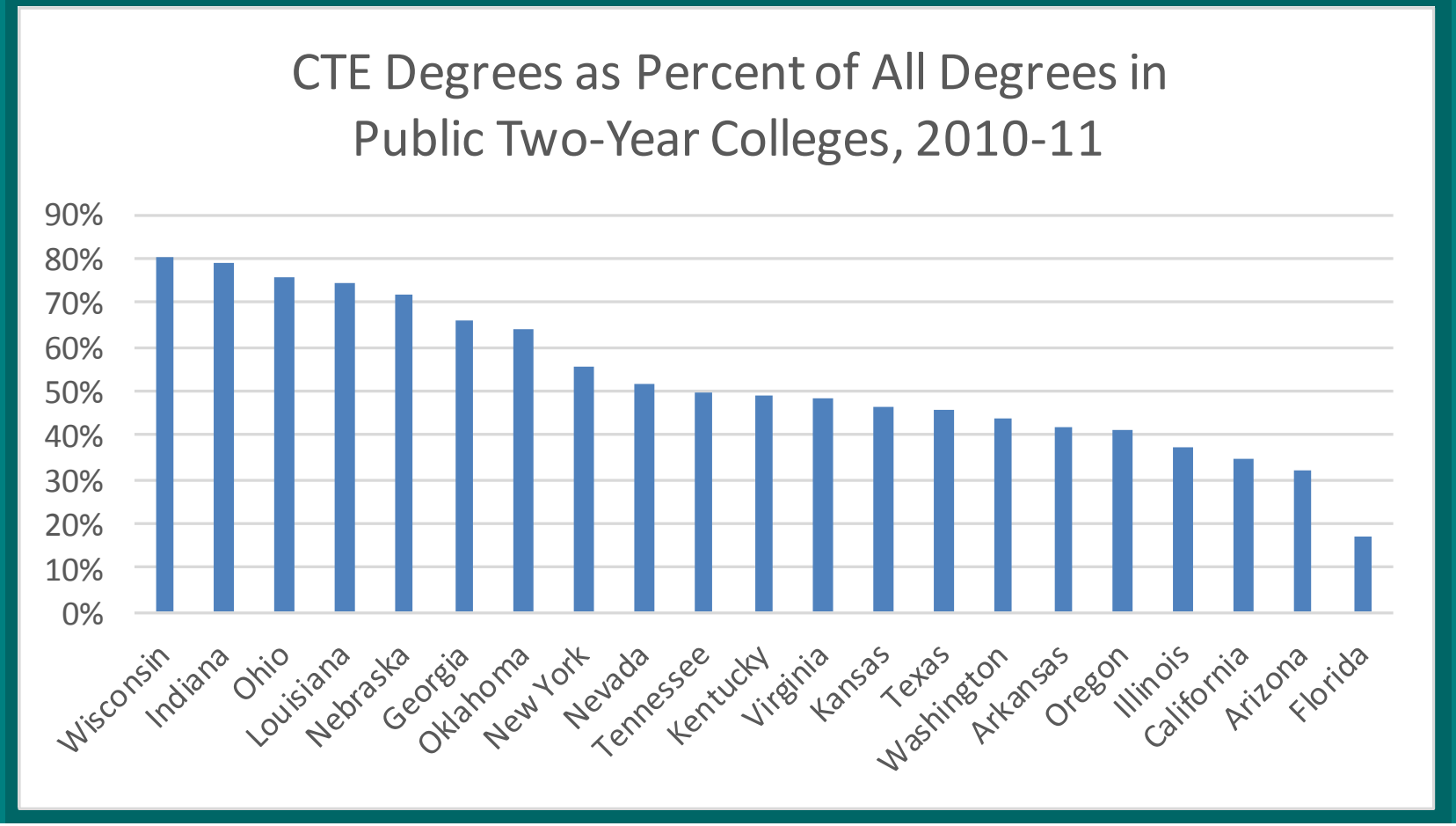
Scope of Study

- 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)



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

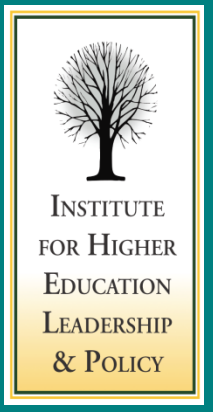
- There is much to learn from other states
  - Most states are very thoughtful about the issue of finance
  - Most celebrate the CTE mission without hesitation, and without detriment to the transfer mission
- These 5 strategies are adaptable

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

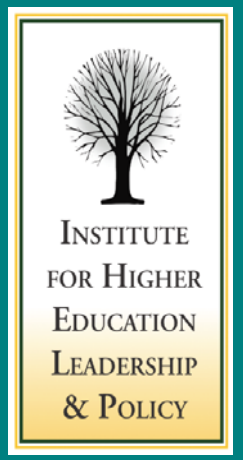
Questions?

- Contact Information: ihelp@csus.edu
- IHELP Publications: http://www.csus.edu/ihelp



Differential Funding:

A Closer Look at Models Being Used in Other States



Outcomes of DF

- A college with more students enrolled in higher cost programs (e.g., CTE) would receive, on average, more funding per student than other colleges
- Overall funding is more closely representative of the actual costs to serve students
- Equal opportunity for students to access programs
- Equal opportunity for colleges to offer the programs their regions need

One Concept: Many Approaches

- 13 of the 20 states we studied use DF
- Disciplines assigned to cost categories
- Funding rates assigned to categories
- Costs based on data from the state's colleges or national cost studies
- 3 main approaches:
  - Rate based on student/faculty ratio
  - Rate based on total cost
  - FTES weighting

Arkansas

Funding Based on Four Cost Categories Derived from Student Semester Credit Hours (SSCH)		
Cost Categories	**Sampling of Disciplines (based on CIP codes)**	**Workload Standards**
General Education	Agriculture, business, natural resources, communications, education, engineering, foreign languages, law, letters, liberal studies, biology, visual/ performing arts, social sciences	22 students (660 SSCH)
Technical Education	Marketing, Communications technology, engineering technology, construction trades, mechanics, protective services	16 students (480 SSCH)
Basic Skills	Remedial/developmental	16 students (480 SSCH)
Allied Health	Health professions	12 students (360 SSCH)

Source: Arkansas Department of Higher Education

Illinois

Credit Hour Rates by Category						
	Baccalaureate	**Business**	**Technical**	**Health**	**Remedial**	**Adult Basic Ed**
FY2011 Unit Cost	$254.60	$287.49	$277.88	$345.00	$220.43	$242.14
FY2013 Weighed Cost	$261.28	$295.03	$285.18	$354.05	$226.21	$248.50
Less:						
Tuition & Fees	$105.06	$105.06	$105.06	$105.06	$105.06	-
Local Tax Revenue	$103.83	$103.83	$103.83	$103.83	$103.83	$103.83
Total	$52.38	$86.14	$76.28	$145.16	$17.32	$144.67

Source: Illinois Community College Board

Nebraska

- Courses are weighted, and colleges receive funding based on FTES enrollment in courses
  - 1.0 weighting for academic transfer courses
  - 1.5 weighting for technical courses that don’t require expensive equipment
  - 2.0 weighting for technical courses requiring expensive equipment (e.g. welding and nursing)

Other Examples

Cost-Based Method		
	Number & Type of Rates	**Range**
Kentucky	52 per credit hour rates	Highest: Construction Trade $286 Lowest: Protective Services $56
Texas	29 per credit hour rates	Highest: Career Pilot $29.27 Lowest: Psychology, Social Sciences, History $7.16
Kansas	25 course rates	Highest: $382 Lowest: $146