EDUCATION POLICY PROGRAM

Using Policy to Support High-Quality, Non-Degree Community College Workforce Programs

December 2022

Iris Palmer and Shalin Jyotishi

Introduction

Community colleges play a critical role in helping people connect to careers in the United States. After the Great Recession, community colleges emerged as the workforce and economic development institution that could fill the gaps left by traditional higher education for shorter, non-degree career education while also meeting the needs of local employers and communities for emerging skills.

Before the COVID-19 pandemic, unemployment stood at a historic low, and employers struggled to find the skilled workers they needed. At the same time, higher education had become prohibitively expensive and a growing number of students were looking for pathways into good jobs that did not require a four-year degree.

The pandemic upended the labor market, creating unprecedented challenges in supply chains, public health, and the economy. Community colleges continued to play a critical role in helping both students and employers weather the crisis. But two and half years after the onset of the pandemic, we find ourselves with a labor market that bears a strong resemblance to that of the pre-pandemic period, with low unemployment and a **large number** of unfilled positions.

To build a more equitable post-pandemic economy, we need to accelerate the development of high-quality, affordable workforce programs at community colleges that lead directly to quality jobs and careers. To do this, we must change the policy environment in which colleges operate.

State and federal governments should provide sustainable financing for high-quality non-degree programs and the students participating in them, improve data infrastructure and use, and support collaboration among colleges.

Provide Sustainable Financing

Many of the programs and colleges we researched braided funding streams to be able to offer their programs and make them affordable for students. For instance, Brazosport's **Jumpstart Program** provides participants with free training. But to do so, the college must weave together many different sources of grant funding with sometimes conflicting student eligibility, timelines, and reporting requirements. Jumpstart's main funding stream, the Texas Workforce Commission Accelerate Texas VI grant, will end at the end of the 2023 academic year. Instead of requiring colleges to look for financing in many places, federal and state governments can reform existing programs and create new ones supporting services like navigators to make these high-quality programs easier to start and maintain.

At the Federal Level

Reform the Workforce Innovation & Opportunity Act

WIOA is the country's largest federal employment and training program, with an annual appropriation of around $8 billion that funds six core programs and more than a dozen discretionary programs. Its purpose is to help individuals find employment, sometimes by simply matching job seekers to employers in need of workers and other times by helping job seekers acquire the skills, credentials, or accommodations needed to find or keep a job.

WIOA consists of four titles, each of which includes formula funding for states to implement a distinct set of education, employment, and training services for specific groups of job seekers and workers. Title I of WIOA is the largest of the four titles and is administered by DOL's Employment and Training Administration (ETA). It includes three core programs—for (1) youth, (2) adults, and (3) dislocated workers—and supports a wide range of job search assistance and training activities.

Title I also includes the administration and funding of a national network of 2,400 American Job Centers, which serve as one-stop shops for individuals and employers. Staff at the job centers receive the public, determine needs and eligibility, enroll individuals in relevant programs, and provide referrals to other programs. WIOA services are organized into three tiers—core, intensive, and training—with each level corresponding to more resource-intensive activities. Individuals might be enrolled in more than one program (Title I and Title II) and more than one service (job search assistance and training).

Training provided through WIOA, and short-term workforce training more generally, has a mixed record of providing graduates with living wage jobs. Recent research on **outcomes data** for people participating in **short-term training** programs has shown wage outcomes slightly higher than those of high school graduates but well below the wages needed to sustain a family. At the same time, the benefits of short-term training are not felt by all groups. Our research has shown that women **tend to make significantly less** after participating in non-degree programs, for example. And a **rigorous evaluation** of participants receiving training benefits through WIOA found no difference in outcomes between them and others who received only core job search services.

When training **seems to make a difference** is when it is connected to a sectoral partnership. These partnerships are a model for bringing multiple employers from a single industry together with colleges and relevant intermediaries such as workforce boards, community-based organizations, or state or municipal agencies, in order to train workers and support local employers. These workforce development models have been rigorously evaluated and have a strong record of success in connecting job seekers, including individuals with barriers to employment, to good jobs. While some community colleges participate in these partnerships, they are still underrepresented, which has limited efforts to expand these highly effective education-to-employment models.

Currently, too few people can use WIOA to access training at a community college. Those who do face inconsistent returns. Community colleges are not connected to the workforce system in a way that serves learners and the economy. By reforming the training function of WIOA, we could connect training with more intentional sector strategies and community college workforce programs with the workforce system.

- **Double funding for Title I of the Workforce Innovation and Opportunity Act.** Compared to other **advanced economies**, the U.S. invests remarkably little in workforce development. Over the last five years, funding for the three main programs in Title I of WIOA (Youth Activities, Adult Activities, and Dislocated Worker Activities) has only increased by **7 percent**. A recent reauthorization bill in the House, **H.R. 7309**, proposed almost doubling those authorized levels in the next six years. This money flows to maintain the infrastructure of our national **American Job Centers**, of which there are more than 2,000. **Evidence shows** that the **core functions** of these centers are highly effective in helping people get good jobs. Given the way the workforce system has been starved for resources over time and the need for reorienting the labor market in the wake of the COVID-19 pandemic, we call for doubling the funding for these programs.

- **Create a dedicated funding stream for training connected to sectoral partnerships.** The programs in Title I of WIOA contribute to supporting the large American Job Center infrastructure in this country. They also help support reporting on performance metrics, the administration of workforce boards at the state and local levels, and other job development and job search activities. These are all important services provided by WIOA and many of these services have evidence of effectiveness for participants. But these services end up taking much of the funding in Title I, leaving people and employers who need workforce training trying to access limited resources.

At the same time, the primary structure through which WIOA currently pays for training, Individual Training Accounts (ITAs), is intended to support consumer choice in services. ITAs support adults, dislocated workers, and out-of-school youth in purchasing training services from eligible providers, in consultation with a case manager. But the structure does not support the coordinated sectoral strategies that have been shown to make workforce training more likely to lead job seekers to good jobs. The structure also means that colleges do not get enough money through WIOA to justify the system's complex reporting requirements.

These problems could be solved with a new funding stream to support contract training connected to sectoral strategies. Currently, local Workforce Development Boards (WDBs) may provide training through a contract for services if certain criteria are met.[1] Contract training involves creating an agreement with a training provider to serve a certain number of participants in a particular occupation. The advantages of contract training include the ability to pick a provider with a low price point and high-quality outcomes, like a community college or workforce intermediary, the ability to align the training with a sectoral strategy, the ability for the WDB to create a cohort of students, and the ability to get a commitment from employers to interview or hire participants.

Making it easier to use WIOA funding to support training that is embedded in sectoral partnerships with strong employer involvement will improve outcomes over stand-alone training programs funded through vouchers that have little or no connection to specific employers. The use of contracts to support cohort training could also simplify the administration of training funds and lead to more training at low-cost, high-quality providers like community colleges.

The proposed funding stream would flow through a formula to states and then to the WDBs. The WDBs would serve as, or contract with, intermediaries to coordinate employer partners, recruit and create cohorts for training, and track and report on benchmarks like pay and job quality. The contracts could be used to cover student tuition, support services such as transportation and child care, or build community college capacity to stand up high-quality non-degree programs in targeted industries.

Congress should create a dedicated sectoral partnerships workforce training funding stream within Title I of WIOA, sufficient to meet the training needs of all the populations it is intended to serve. Starting with $2 billion a year would be a huge boon to workforce training in the U.S.

Reform the Carl D. Perkins Career and Technical Education Act

The Strengthening Career and Technical Education for the 21st Century Act (Perkins V) is the primary federal law aimed at developing and supporting career and technical education (CTE) programs for secondary and postsecondary students. More than $1.3 billion was appropriated in Fiscal Year 2021 for Perkins V. The largest program authorized by Perkins V is the Basic State Grants program, money disbursed to states based on the age distribution and per capita income of the population. Perkins V is split between high schools and colleges and the states determine that split. In 2020, only 13 states allocated 50 percent or more to colleges. The largest postsecondary allocation was Colorado's (60 percent), and the smallest was Rhode Island's (10 percent). [2]

Currently, the Perkins program is one of the main ways community colleges in many states support their non-degree programs. Unfortunately, the program is not large enough to fulfill the need and it does not have strong incentives for collaboration. To address this, we propose four changes:

- **Increase funding**. Perkins is a relatively small program and is distributed through a formula to all 50 states. Still, it is an important source of flexible funding for community college non-degree programs. Doubling the appropriated funding for Perkins to $3 billion would start to create a more reliable funding stream for community colleges.
- **Support collaboration between K–12 and postsecondary education.** At present, only about a quarter of states require or encourage the formation of secondary-postsecondary consortia.[3] One way to strengthen secondary and postsecondary collaboration is to tie Perkins funding to coordination. This could look like a percentage of funding being allocated as a bonus for secondary-postsecondary consortiums or making eligibility for Perkins funds dependent on whether locals apply as a consortium. Another way to do this would be to modify the requirements of the Comprehensive Local Needs Assessment (CLNA)—introduced through Perkins V—to specifically require secondary and postsecondary collaboration. According to Advance CTE, only 32 percent of states are going beyond the minimum Perkins V requirements to explicitly require or encourage some degree of collaboration between secondary and postsecondary institutions in the development of the CLNA.
- **Update the Perkins performance indicators.** Under Perkins V, states are required to report annually on the percentage of CTE concentrators who receive recognized postsecondary credentials and are employed in the second quarter after program completion. While these indicators are an important measure of whether youth and adults earn target credentials and enter the labor market after program completion, they fail to measure whether individuals are finding employment related to their field of study. Reporting requirements should be amended to collect better information on whether program graduates are finding employment related to their programs of study.
- **Create a dedicated funding stream for the Innovation and Modernization Grants.** The Innovation and Modernization Grants, created through Perkins V, are meant to support the innovation and evaluation of programs at the local level.[4] They are competitive funding that goes to local Perkins recipients to do something different. This

structure has a lot of promise to help support the creation and evaluation of new, non-degree programs at community colleges. But to date, there have only been **nine** Innovation and Modernization Grant recipients. It would be valuable to build on this structure and create a dedicated pot of funding per state to invest in evidence-building around new practices.

Support Community College Capacity—Especially on Equity and Job Quality

The Obama-era $2 billion Trade Adjustment Assistance Community College and Career Training (TAACCCT) investment had a positive impact on community colleges and their students. Our team reviewed 216 final evaluations of individual TAACCCT grants and conducted a **meta-analysis** that found participants were:

- 91 percent more likely to complete a program or earn a credential as comparison students.
- 27 percent more likely to have positive labor market outcomes (employment or wage gain) than comparison students.

Unfortunately, TAACCCT was only funded once, and that funding ended in 2014. Since then, Congress has created a similar but smaller program called Strengthening Community College Training Grants (SCCTG) in the appropriations act, funded at $45 million a year. Congress should officially authorize the program and increase funding in either TAACCCT or SCCTG to at least $1 billion a year and explore some commonsense changes to improve the program.

We laid out recommendations for improvement based on our TAACCCT research in our **2020 blueprint document**. For instance, we recommended setting aside a certain percentage of each grant to support student services and basic needs because those interventions were powerful in the original TAACCCT investment. We also recommended improving the evaluation component of the program so it can inform future investments.

Our look into high-quality, non-degree programs for the New Models of Career Preparation project shows that community colleges struggle to find ways to improve the job quality for their graduates and to address equity concerns. We recommend that Congress and the Department of Labor invest in helping colleges improve these aspects of non-degree programs.

Support Basic Student Needs and Improved Completion

Throughout the New Models project, we heard about the need to support students with structured guidance, small grants to address emergencies, food, housing costs, transportation, child care, and legal aid. However, many of these supports are difficult to fund for community colleges working on much slimmer margins than their four-year counterparts. Money to support these services tends to be taken from general operating or philanthropic funds, neither of which is as fulsome or sustainable as these services need. But these types of support often determine whether students can stay enrolled and complete their programs. A permanent federal program funding these supports for students would be life-changing. It could be built on a newly revised TAACCCT program with a set-aside for coaching and student support and on the federal emergency grant aid for students during the pandemic. We recommend that Congress create a permanent $1 billion a year competitive program to support wraparound services and basic needs at colleges that serve high-needs populations.

Support College-Connected Apprenticeship Programs

When we spoke to students in non-degree workforce programs, it was clear that even a full-time, three-week program without pay was difficult for many of them to commit to. Many were living paycheck to paycheck and had to borrow money from friends and family in order to live during their training. Apprenticeship programs address this issue by providing wages throughout the program.

There are two credit-bearing models of apprenticeship and postsecondary integration. College-connected apprenticeships offer academic credit for a portion or all of the classroom and/or on-the-job learning component of an apprenticeship. Degree apprenticeships are designed to lead to an associate or bachelor's degree seamlessly. College-connected and degree apprenticeships can sometimes be more time-consuming to develop and costly to deliver than other types of apprenticeship. Congress should allocate funding to help colleges, in partnership with employers and other stakeholders, cover tuition for related technical instruction as well as program development costs (like wraparound supports, curriculum development, credit articulation agreements, and mentor training).

Integrate Equity and Job Quality Priorities into Funding Opportunities

Grants from the federal government like the **Strengthening Community Colleges Training Grants Program**, National Science Foundation **Advanced Technological Education** program, **Manufacturing Extension Partnership** grant, and **Manufacturing USA** can support the creation of high-quality non-degree programs at community colleges. Through the course of our New Models project, we have seen community colleges struggle with improving job quality for their graduates and implementing equity-focused program design. Funding priority should be given to efforts with high-road employers and partnerships that connect people to high-quality employment: jobs that pay a living wage, offer health care and paid leave, and follow health and safety rules. Priority should also be given for efforts that will connect historically underserved communities to these employment opportunities.

At the State Level

Fund Program Start-Up

We heard from many colleges that financing new program research and development was difficult with their current budgets. This was particularly true for programs in emerging areas. States should consider allocating funds to allow their community colleges to be more responsive to economic demands. One way to do this is to create a state **revolving loan fund** that allows colleges to propose a plan for a new program, receive an interest-free loan for that program's start-up cost, and pay back the loan over time. This way, states have a fund that replenishes and a reliable way to fund new, innovative programs without additional appropriations.

Support Basic Needs and Navigation

As mentioned above, funding basic needs and coaching for students was a continual need in non-degree programs. States should consider building on a federal effort to address these needs and help people complete their programs. Iowa, for example, funds **pathway navigators** in high-needs fields at community colleges. Students at Des Moines Area Community College found these navigators so useful that the college hired additional navigators for programs that the state did not support. **California** and **Oregon** both support basic needs navigators at each community college campus.

Support Continued Program Operation

Community colleges and their programs function on a fraction of the per-student budget of other institutions of higher education. On **average,** community colleges receive about $12,000 in revenue (state, local, tuition, and fees) per full-time equivalent student. The typical public four-year college receives almost $20,000. This environment of scarcity is particularly true for non-degree programs, some of which, because they are non-credit, are not eligible for appropriations in many states. Others are too short to qualify for federal financial aid. If states want a responsive education and training apparatus, they should consider supporting the operations of these programs through three mechanisms:

- **Create an employer-funded skills fund**. Programs like California's Employment Training Panel provide funding for incumbent and new employee training programs and are funded through employer-funded payroll tax. In this model, employers do not have to take advantage of the training but they are still paying for it. This model can provide a steady stream of employer-directed funding for non-degree training programs. Read more about employer-focused skills funds in our 2021 publication **Beyond "Train and Pray": State Training Policies to Connect Workers to Good Jobs**.

- **Fund non-credit training through contact hours.** Eleven states **fund** non-credit training through contact hours and of those, only three fund it at the same level as credit programs. While just over half of states provide some funding for non-credit training, most of that funding is extremely limited. This means that most non-credit training is entirely funded through contracts with employers or with student fees. To a large extent, this makes sense. There are very few quality controls on non-credit education and making it self-sustaining could make the programs more entrepreneurial. However, to be responsive to student and employer needs, many colleges need to have the flexibility non-credit programs give them. For states that want to bolster their training systems, funding non-credit education directly, with required labor market outcomes, could be a powerful lever.

- **Change the way state appropriations flow.** Many **states have implemented** outcomes-based funding models, particularly for their community college systems. While these systems can be complicated to implement, providing a premium for colleges and programs that provide a particular benefit for the state makes a lot of sense. For instance, creating funding premiums for the success of specific underserved populations like minoritized, low-income, or adult students can create an incentive for colleges to spend more money on these students' success. It often costs more money to serve them well and thus colleges should receive more funding for serving them successfully. It also makes sense to pay colleges more to prepare students for needed occupations that actually cost more to train for. **Ohio**, for example, weights its funding formula based on how much the credential cost to provide. In the course completion calculation, colleges receive funding for the average cost of the course statewide times the number of students completing it. These kinds of incentives should create more non-degree programs aligned with high-quality jobs while also creating a mechanism for quality control.

Support High-Quality Jobs for Non-Degree Program Graduates

Unfortunately, many jobs available to people without a college degree lack a family-sustaining wage, benefits, a predictable schedule, and other features of jobs available to the college-educated. But states still need these jobs done. We have two suggestions to increase job quality for these occupations:

- **Create a high-road training partnership grant program.** States can create competitive grant programs that support industry-based, worker-focused training partnerships to build worker skills for firms that generate family-supporting jobs. California has implemented a **High Road Training Partnership** grant program using funding from its WIOA set-aside for industry-led partnerships focused on increasing job quality and connecting that to training. So far, the program has funded skill and job quality partnerships in areas like water, logistics, and long-term care. Other states should consider using WIOA set-asides to fund similar projects.

- **Pass state Medicaid wage pass-through laws for allied health.** Many allied health and direct care jobs that are accessible with non-degree credentials, like certified nursing assistant and home health aide, come with extremely low pay. The average CNA makes around **$28,000** a year, and a home health aide makes around **$27,000**. But these jobs are also extremely important. Many of these jobs are also supported through Medicaid, the federal program funded with state matching funds that pays for medical care for low-income individuals. When Medicaid increases reimbursement for medical care, those increases can fail to make it to direct care workers' pay. To address this, states have passed laws that require some amount of that increase to go to workers. As of 2020, **22 states** had some kind of wage pass-through provision for direct care workers. Research has shown that wage pass-through laws increase wages for direct care workers by about **12 percent** over states without those laws. States that already have wage pass-through laws could strengthen them and states without them should pass such laws.

Improve Data Infrastructure and Use

Policy and program improvement organizations have been focused on supporting data-driven decision-making at community colleges for many years. But using data to plan, design, and improve non-degree programs was not as common as we had hoped in the field. To support data availability and its use, states and the federal government need to make the following changes:

Provide Program-Level Wage and Placement Data

Many colleges do not have systems to track post-graduation outcomes. Some of this is because of internal systems like separate student information systems for credit and non-credit students, a lack of staff capacity or technical infrastructure, or strict student privacy rules. About **13 states** do not currently connect their state education data systems to their unemployment insurance (UI) wage data. Even fewer states are disaggregating that data by program and presenting it to colleges in a way that can be used to plan and improve programs and inform conversations with advisory committee members.

States should build out their UI systems to provide colleges with program-level outcome data and create tools to help colleges use that data at the program level. California's **LaunchBoard dashboard** is a great example of connecting, clearing, and supporting the use of this type of information.

Unemployment insurance data has limitations. It does not include students who have moved out of state, people who are employed by the federal government, or the self-employed. To help patch these holes and look at other important student outcomes, the federal government should build a **student-level data network** connected to labor market outcomes.

Fund the Use of Labor Market Information

Colleges do not have the funding or capacity to access or use real-time labor market information (LMI) that projects long-term demand, in-demand skills and credentials, automation susceptibility, and other factors foundational to creating dynamic, in-demand, non-degree programs.

Without this essential information, employers are turning to new competitors in workforce development including regional public universities, private liberal arts colleges, and nonprofit and for-profit organizations. Used well, these data can help colleges build employer relationships and run advisory boards more effectively. States should support using state, federal, and proprietary LMI effectively and provide funding to purchase proprietary LMI systems to fill the gaps in public data systems. States should also provide **professional development grants** for college leaders from institutional research, workforce development, and academic affairs to learn how to effectively evaluate and communicate using data. States can also require colleges to demonstrate competency in LMI before accepting state workforce funding or before launching new non-degree programs.

Facilitate Transparency and Accountability for Outcomes

Students should be able to find the average pay for graduates of non-degree programs. While this type of data may not always change student behavior, it does address a fundamental question many students have when choosing a program: what kind of pay can I expect when I am finished? It also provides an incentive for colleges to examine and use their outcomes data. States should create publicly available dashboards and data sets on the employment outcomes of non-degree program graduates. The federal government should continue to work to create public accountability through sites like the **College Scorecard**.

The federal government should also expand the **Integrated Post-Secondary Data System (IPEDS)** to include non-credit program data. Currently, there is no comprehensive, national data set for non-credit programs, and this is a missed opportunity for policymakers, researchers, and students. This past summer, the U.S. Department of Education (ED) was working to improve the way non-degree students are tracked using the IPEDS. The Non-Degree Credentials Research Network at George Washington University **drafted a comment letter** that includes a number of strong recommendations for ED, including:

- Request for alignment of the language used to describe different types of non-degree and degree programs (see **Appendix A with sections relevant to noncredit attainment highlighted on page 6**).

- Request that institutions that double-count certain degree and non-degree enrollments provide an estimate of the number of students who are double-counted, rather than merely checking a box to indicate that double-counting exists (as is currently proposed).

- Request that ED collect and publish data on non-credit enrollments disaggregated by race/ethnicity.

Unfortunately, ED said in July that it would not pursue adding non-credit data to IPEDS because of administrative burden. We encourage ED to revisit this topic and support the capacity of colleges to provide data on non-credit enrollment and success.

Support Collaboration

Throughout our New Models of Career Preparation project, we heard that colleges connecting with each other was the best way to improve non-degree programs. Unfortunately, collaboration takes staff capacity and that is something many colleges are short on. This is where the state can provide backbone capacity to support the implementation of improved practices that will in turn result in the enhanced quality of non-degree programs.

Support Sector Strategies

Sector strategies are employer-led partnerships within an industry that bring together government, education, training, economic development, and other community organizations to focus on the needs of that industry, within a regional market. These partnerships aggregate talent demand from multiple employers in order to develop training programs to help workers into high-quality, unfilled jobs. Sector strategies have been the subject of several **randomized evaluations**, with some showing strong and durable earnings effects for program completers. States are in an ideal position to support sector strategies and should facilitate these types of efforts between colleges and other intermediaries like WIBs, unions, and Economic Development Organizations.

Create Collaboration across Colleges on Non-Degree Programs

In addition to supporting sector strategies, states should support communities of practice between colleges around the creation of high-quality, non-degree programs, particularly by occupation. This kind of support will support colleges in doing the hard work of designing these programs.