Workforce Training in a Recovering Economy

Perceptions of State Community College Leaders

By Stephen G. Katsinas, The University of Alabama, Mark M. D’Amico, University of North Carolina at Charlotte, and Janice N. Friedel, Iowa State University

Introduction

Despite declining unemployment, anxiety still exists among many Americans regarding slow rates of job growth. Most states had unemployment rates over 8 percent in July of 2009, 2010, and 2011. Since then, unemployment rates have trended downward. From July 2011 to June 2012, forty-four states saw a decrease, while in two the unemployment rate stayed the same, and in four it increased (see Table 1). Notwithstanding the improved employment picture in the majority of states, concerns over the economy are reflected in a July 24, 2012, Wall Street Journal/NBC News poll, which found only 27 percent of registered voters predicting the economy would improve.2

The National Bureau of Economic Statistics charts the recession as starting in late 2007, hitting bottom in June 2009. At eighteen months, it was the longest recession since World War II.3 Some 5.7 million Americans have been out of work for more than 26 weeks, the federal definition of long-term unemployed. A December 2011 National Public Radio/Kaiser Family Foundation poll of these individuals found 13 percent receiving unemployment benefits, and 51 percent borrowing money from friends or family to get by. Close to half have had trouble paying for food and housing, and a third changed their living situations to save money, including moving in with relatives or friends.4

Table 1. Annual Change in Unemployment, and Reported Stress on Workforce Training Dollars

<table>
<thead>
<tr>
<th>Change in State Unemployment Rates, July 2011 to July 2012</th>
<th>Training dollars via WIA and other sources for colleges have increasingly been exhausted in my state.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase 4</td>
<td>Strongly Agree/Agree 17</td>
</tr>
<tr>
<td>Stay the Same 2</td>
<td>Neutral/Don't Know 23</td>
</tr>
<tr>
<td>Decrease 44</td>
<td>Disagree/Strongly Disagree 6</td>
</tr>
</tbody>
</table>

on their feet. Moving forward, developing the workforce has both important short- and long-term dimensions. In the immediate short-term, even a job with lower wages is a preferable alternative to having no job at all. Yet the proposition is beyond doubt that over the long haul, improving the wage curve is more important, and that ties directly to higher-wage jobs — jobs that require post-high school education for a high-skills workforce. In fact, more than 60 percent of jobs will require postsecondary education by 2018.5

As the nation emerges from the recession, it is important to consider the state-level perspective regarding the role of community colleges in workforce training, relationships between community colleges and the Workforce Investment System, the delivery of training, and potential barriers to meeting needs of the workforce. As former Mississippi Governor William Winter said more than two decades ago, “In an era of unparalleled change in both the techniques and objectives of economic development, the role of America’s community, junior, and technical colleges has never been so vital.”6 Perhaps we are in another of those eras.

About This Study

This report provides an important state-level viewpoint on policies and practices related to the community college role in developing the workforce. Community colleges must simultaneously serve both unemployed and underemployed workers. On a mass scale, they provide non-credit computer literacy classes to build the skills of the workforce while at the same time providing for-credit certificates and associate’s degrees in high-wage, high-demand technical programs such as engineering and information technology, nursing, allied health, and biotechnology.

Unlike elite private or state flagship universities, community colleges are place-based institutions. Their service delivery areas are assigned by regulation or statute; they are therefore very committed to developing their local and state economies. And their funding streams are diverse. In twenty-five states, local tax funds account for 10 percent or more of total revenues, and in twenty-five they get almost no local funding.7 This report examines these issues from the unique perspective of the state offices responsible for coordination and supervision of community colleges. Since 2003, the University of Alabama’s Education Policy Center reports series, Access and Funding in Public Higher Education (see http://uaedpolicy.weebly.com/)8 has examined these issues.

Community colleges are the portal of entry to higher education for millions of minority, low-income, first-generation, and adult students to the baccalaureate degree. They simultaneously provide short- and long-term workforce training courses. Since much of the funding for their training programs that reach temporarily dislocated and long-term unemployed workers comes through federal flow-through programs administered by states, members of the National Council of State Directors of Community Colleges (NCSDCC) are especially well positioned to know how
federal and state workforce policies and practices play out locally to impact the capacity and ability of their community colleges to improve economic competitiveness. Workforce Training in a Recovering Economy presents selected items from the 2012 Survey of Access and Finance, conducted from June 18 to August 8, 2012. We thank our advisory panel for survey input and NCSDCC members for their participation. We also thank EPC Research Associates Jonathan P. Koh, Phillip D. Grant, J. Lucas Adair, W. Rex Bailey, and D. Nelson Tidwell for their assistance. We note the following two caveats in interpreting this report: First, results are respondents’ perceptions, not actual measure. Second, while fifty of the fifty-one NCSDCC members responded, responses to a specific item may not add to fifty, as respondents could choose to not answer items. Responsibility for any errors is ours and ours alone.

The Policy Context

We begin by noting the large increases in federal Pell Grant recipients following the reallocation of savings realized by the end of federal subsidies to banks in the federal student loan programs. This injection of a new summer Pell of $2,300 on top of the regular maximum Pell Grant of $5,550 resulted in sharp enrollment increases at most community colleges in summer 2010. The Obama Administration planned for 800,000 new Pell recipients over eight years, while an April 2011 Education Policy Center study (see http://uaedpolicy.weebly.com/pell.html) found nearly 400,000 new Pell Grant recipients at 205 community colleges in just one year. Four of five of the 205 community colleges surveyed saw increases in their full-time equivalent enrollments exceed their increases in headcount enrollments, which means more students were taking more hours. Unquestionably many of these students were enrolled in high-demand program areas that are related to workforce needs. In Iowa alone, Pell funding jumped from $84.6 million to $153.3 million—an additional $74 million of new Pell funding in one year. New awards increased from 35,555 in 2008-09 to 62,205 in 2009-10 across the state’s fifteen community colleges. We found similar results in our February 2012 study of Pell Grants in Kansas (see also Community College Week, “Powered by Pell”), and other states as well.

The new one-time Pell funding coincided with federal American Recovery and Reinvestment Act (ARRA) mandates requiring states to maintain operating budget support in Fiscal Years 2009, 2010, and 2011 at FY 2006 levels. States were thus dis-incented to raise community college (and public university) tuition to make up for appropriation cuts for operating budgets, the common state budgeting practice in every recession since the Vietnam War (see our 2004 report).

The ARRA’s maintenance of effort provisions and the new Pell funding helped keep many students in college and off the unemployment rolls. And it could not have occurred at a better time. Moving forward, the one-time funding source of the summer “double Pell” grants has dried up, and ARRA funding has ended.
That free tuition for unemployed workers to attend community colleges declined from eleven states in 2009 to just four in 2010 is an indication that state funding has tightened. The State Higher Education Finance FY 2011 report, released in March 2012, found a $1.3 billion decline in total state and local support for higher education funding, even with ARRA funds, and a 5.7 percent drop in total education revenues per student. A January 2012 study released by Grapevine, which has tracked state tax revenues for public higher education since the early 1960s, found state appropriations (including ARRA stimulus funding) down by 7.5 percent or $5.8 billion in FY 2011-12. Two years ago, several experienced state community college directors told us ARRA funding had “saved their bacon,” but asked “what happens in FY 2013 when ARRA runs out?” This report provides insights on the ability of community colleges to develop the workforce as federal Pell Grants for summer 2012 have been eliminated, and operating budgets have been cut in many states. As the nation emerges from the recession, how can community colleges reach out, in both the short- and long-term, to develop the workforce when their own capacity is itself threatened?

**Community Colleges and the Workforce System**

Business leaders and state officials often look to community colleges to provide leadership in developing the workforce, but there are vast differences in state-assigned missions, finances, governance, and state-level coordination. These realities have long been well-understood among the small world of community college experts from the post-World War II years forward. The 1947 Truman Commission said that America did not have enough institutions to reach its growing population, and that the institutions that then did exist were not in easy reach for large segments of the population. In the three decades that followed, states and localities would call upon these community college pioneers to start new systems. The late James L. Wattenbarger developed the plans for community colleges in Florida, as S.V. “Marty” Martorana did for Governor Nelson Rockefeller in New York, and also in Washington State, and Raymond J. Young did in downstate Illinois, Ohio, Michigan, and other Midwestern states. Some states bought into a third/third/third financing model (state aid, local aid, and tuition), while others did not.

The vast differences in mission are documented in the 1969 book, *Junior Colleges: 50 States/50 Years.* State-to-state differences in names may, at times, give the impression of a less-than-comprehensive mission. In South Carolina, for example, most two-year colleges are called “technical colleges,” which is defined to include general education for transfer and non-credit and credit-based programs leading to certificates and associate’s degrees in technical and occupational fields. In contrast, in Wisconsin, which also calls their two-year colleges “technical colleges,”
lower division general education for transfer purposes is assigned by the state to only three of its sixteen institutions. Policy makers are well-advised to carefully examine state-assigned missions, functions, and financing structures prior to venturing very far as it pertains to major policy changes.

Terrence A. Tollefson, the former state director of community colleges in Colorado and New Jersey, documents this variability in his three editions on state systems starting in 1989. In 1999, Fifty State Systems of Community Colleges: Mission, Governance, Funding, and Accountability, he documents emerging differences in state-level accountability. In an unpublished analysis based upon this study, Katsinas found most state systems established in the early 1960s had advancing economic development as a major purpose. Again, these differences are well-known to the small field of community college experts typically housed in colleges of education, but not necessarily well-known by economists, sociologists, and political scientists.

This history has great bearing as policy makers consider the use of community colleges to further state and regional economic goals in expanding the numbers of first-certificates and associate’s degrees. First, are the general education courses even available to students in technical programs who might eventually wish to transfer in applied technology areas? Second, the broad-based community college involvement in the modern employment and training system is a relatively new phenomenon, dating to the early 1980s, and passage of legislation predating the Workforce Investment Act of 1998, the Job Training Partnership Act of 1982 (JTPA). Prior to the early 1980s, comprehensive community colleges were defined to include general education for transfer, and for-credit technical programs of twelve to twenty-four months in length, including both certificates and associate’s degrees. With the signing into law of JTPA by President Ronald Reagan thirty years ago, the modern role of community colleges in non-credit workforce development programs emerged. For the first time, community college officials had a place at the table on local workforce boards that distributed JPTA training funds. The JTPA would propel community college involvement in welfare-to-work programs as well. The recession of the early 1980s — the last time unemployment rates exceeded 10 percent in many states — motivated an expanded role for community colleges in workforce training.

Today we see increased attention and focus on community colleges from the public and private sectors. Even before the full extent of the “Great Recession” was known, David Shaffer, senior fellow at the Rockefeller Institute, noted in a May 2008 policy brief, “the days of flying below the radar are over.” For example, community colleges have been mentioned by name in every State of the Union Address but one since 1996. This increased attention on community colleges has been confirmed in our 2012 survey, with forty-five of the forty-nine responding state community college directors strongly agreeing or agreeing that business leaders
see community colleges as primary workforce training providers in their states (up from thirty-four of fifty-one responding last year).

But there is a clear difference between the perceived role in meeting the needs of businesses and formal designation in policy and practice. The federal Workforce Investment Act (WIA) funds for adults, dislocated workers, and youth are important to state job training efforts. States submit plans to administer federal WIA funds, which are approved by the U.S. Department of Labor in Washington, DC. Through this survey of state community college directors, we sought to capture their perspectives on their relationships with the Workforce Investment System (see Table 2). Our past surveys revealed that in 2009, just four states — Delaware, Idaho, Rhode Island, and Virginia — formally assigned responsibility to administer Workforce Investment Act-funded programs to their community colleges.28 Indeed, community colleges are well represented on state and local Workforce Investment Boards with forty of fifty respondents indicating so, and, increasingly, states are looking to community colleges as a formal preferred provider of WIA programs with twenty-three of fifty indicating agreement compared with only four in 2011. That said, more community colleges may be preferred providers, but this may not be recognized as a matter of policy in the statewide WIA plans or in federal WIA fund allocations.

### The Long-Term Context: High-Wage Jobs

The data are abundantly clear: high-wage jobs require education beyond high school. And this is hardly a new conclusion — major reports from across the political spectrum called for increasing the skill levels of the American workforce over two decades ago (see the Hudson Institute’s *Workforce 2000* report on preparing the twenty-first century workforce,29 or the National Center for Education and the Economy’s 1990 report, *America’s Choice: High Skills or Low Wages!*30). Today, bipartisan support exists for the policy goal of expanding the numbers of Americans with not only baccalaureate degrees, but also associate’s degrees, credit-based certificates, and industry certifications. The College Board’s Commission on Access, Admissions and Success in Higher Education recommends that “the nation increases the number of 25- to 34-year-olds who hold an associate degree or higher to 55 percent by the year 2025.”31 In addition, credit certificates provide

### Table 2. Community Colleges and the Workforce System

<table>
<thead>
<tr>
<th>Business leaders see community colleges as primary workforce training providers</th>
<th>Community colleges are a formal preferred provider of WIA programs in my state</th>
<th>Community college leaders in my state are well represented on state and local Workforce Investment Boards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>Agree</td>
<td>24</td>
<td>36</td>
</tr>
<tr>
<td>Neutral/Don’t Know</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Disagree</td>
<td>8</td>
<td>2</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>4</td>
<td>0</td>
</tr>
</tbody>
</table>
opportunities to enter higher education and earn necessary workforce training. Finally, in many career areas, such as manufacturing, a series of certifications may be the ticket to initial employment and upgrading skills. Manufacturing pays higher wages and benefits, on average, than other industries; it spurs secondary and tertiary job creation; and it contributes over 50 percent of total U.S. exports. John Engler, president of the Business Roundtable and former Michigan governor said, “We have to put the effort in and make sure that the opportunities are ubiquitous so everybody can take advantage of them. If we do that, our manufacturing economy will be strong for a long time to come, regardless of what’s going on in the rest of the world.” This explains why expanding the number of adults with certifications recognized by industry is a major policy objective of the National Manufacturers Association and its 501(c)(3) think tank/advocacy group, The Manufacturing Institute.

And the most costly programs to operate at most community colleges are typically those that are the most technology-rich. When asked if their states had formal strategies or policies to encourage enrollment and completions in science, technology, engineering, and mathematics programs, thirty respondents said they do, twelve were neutral or didn’t know, and eight said they do not.

But our recent reports have shown that, due largely to the budget cuts brought on by a decline in state tax revenues with the recession, states have not had sufficient funding to invest in the higher cost for-credit programs that produce graduates with certificates and associate’s degrees. In 2011, when asked if “To increase the number of adults with college degrees and certificates, a long-term plans to fund the operating budgets exists in my

<table>
<thead>
<tr>
<th>Table 3. State Strategies for Workforce Training</th>
</tr>
</thead>
<tbody>
<tr>
<td>My state has a formal strategy or policy encouraging enrollment and completions in STEM programs</td>
</tr>
<tr>
<td>Strongly Agree</td>
</tr>
<tr>
<td>Agree</td>
</tr>
<tr>
<td>Neutral/Don’t Know</td>
</tr>
<tr>
<td>Disagree</td>
</tr>
<tr>
<td>Strongly Disagree</td>
</tr>
</tbody>
</table>

The U.S. Manufacturing and Education Systems

- At the height of the recession, 32 percent of manufacturers reported that they had jobs going unfilled because they could not find workers with the right skills.
- 84 percent of manufacturers stated that the K-12 school system was doing an inadequate job of preparing students for the workforce.
- 2.7 million manufacturing employees are 55 years of age or older and likely to leave the labor force over the next 10 years. This will create a significant demand for a technically trained workforce.

Source: Manufacturing Institute, Roadmap to Education Reform for Manufacturing (Washington, DC: Manufacturing Institute, National Association of Manufacturers, 2010)
state,” just four said they were while thirty-six said not, with eleven neutral. When asked if the long-term plans for capital budgets existed for the same reason, even lower numbers reported that they were (three), with forty saying not and eight neutral. It is therefore not at all surprising that two of three responding state directors of community colleges with an opinion indicated that, with the funding cuts, achieving increases in graduation rates would be difficult.36

Even in normal budgetary times, at most community colleges to fund an expansion of high-cost programs requires first expanding lower-cost programs, often in humanities and general education areas, to achieve internal economies of scale. When the lead author worked at Miami-Dade Community College in the late 1980s, it was common knowledge that the 7,200 students at the Medical Center Campus were “loss leaders” that had to be offset elsewhere with large numbers of students in less expensive programs. Sadly, many rural community colleges lack the economies of scale and up-front dollars needed to start higher-cost programs. When asked if their state had a formal strategy or policy encouraging enrollment and completions in science, technology, engineering, and mathematics (STEM) areas, thirty said it did, while eight said not, and twelve were neutral/unsure. This is an economic development issue of primary concern that directly ties to the ability of community colleges to address the concerns of organizations like the National Association of Manufacturers with a very important, worthwhile agenda — expanding good, high-wage jobs.

Expanding the number of adults with credentials — whether baccalaureate and associate’s degrees, or certificates — is increasingly a concern of federal policy makers, philanthropic organizations, and state policy makers alike. Our survey shows broad interest in the subject, and we specifically explored the use of certificates. Figure 1, below, distinguishes key characteristics of traditional for-credit certificates and associate’s degrees in technical areas (the traditional role of community colleges in economic development) from more non-traditional functions that have emerged over the past three decades (especially short-term non-credit training). The insert on page 10 describes key characteristics of certificates. When asked to respond to the item “For-credit certificate programs in community colleges represent a significant workforce education strategy in my state,” thirty-eight were in agreement, five in disagreement, and seven were neutral. When asked if expanding manufacturing certificates with stackable credentials is a state priority, thirty said it is, five said it is not, and fifteen were neutral. Finally, when asked if increasing the attainment of Industry Recognized Credentials is a priority in my state, in 2011, thirty-eight respondents said it was and three said it was not; in 2012, forty-one reported that it is and just one said not. This shows the strong support on the part of community college policy makers at the state level for the policy agenda advocated by the Lumina and Bill and Melinda Gates Foundations.
## Figure 1. Distinguishing Characteristics of Traditional and Non-Traditional Involvement by Community Colleges in Economic Development

<table>
<thead>
<tr>
<th>Traditional</th>
<th>CHARACTERISTIC</th>
<th>Non-Traditional</th>
</tr>
</thead>
<tbody>
<tr>
<td>Associate Degree, Certificate, or Diploma</td>
<td>LEARNING OUTCOME</td>
<td>Completion of special/customized training</td>
</tr>
<tr>
<td>Mastery of generalized skills &amp; work methods</td>
<td>LEARNING OBJECTIVE</td>
<td>Mastery of specific skills &amp; work methods</td>
</tr>
<tr>
<td>Longer term (12 to 24 months, usually 18 to 24 months)</td>
<td>LENGTH OF PROGRAM</td>
<td>Short term</td>
</tr>
<tr>
<td>On-campus</td>
<td>LOCATION</td>
<td>Often off-campus at worksite</td>
</tr>
<tr>
<td>Self-directed, non-compulsory</td>
<td>PARTICIPANTS</td>
<td>Externally directed, sometimes compulsory as a condition of employment</td>
</tr>
<tr>
<td>Mostly full-time faculty</td>
<td>TEACHERS</td>
<td>Mostly part-time with non-tenured instructors &amp; trainers</td>
</tr>
<tr>
<td>Directly, by educators / curriculum specialists</td>
<td>PROGRAM/CURRICULUM DEVELOPMENT</td>
<td>Indirectly, third-party involvement</td>
</tr>
<tr>
<td>Variety of sources (state, local, federal, student tuition)</td>
<td>WHO PAYS?</td>
<td>Often single source</td>
</tr>
<tr>
<td>Internal, attached to the college</td>
<td>LOCUS OF CONTROL</td>
<td>External, detached from the college</td>
</tr>
<tr>
<td>By educators</td>
<td>EVALUATION</td>
<td>By delivery agent and third party</td>
</tr>
<tr>
<td>By institution and/or program through profession-specific and regional associations</td>
<td>ACCREDITATION</td>
<td>By individual curriculum specialists through certification</td>
</tr>
<tr>
<td>To locality and state through faculty, administration, and board</td>
<td>ACCOUNTABILITY</td>
<td>To third party paying for the program</td>
</tr>
</tbody>
</table>

and the National Association of Manufacturers, to expand opportunities for Americans to have high-paying jobs.

**In the Short-Term: Workforce Training and the Challenge of Unemployment**

While progress has been made since the recession’s trough, high unemployment rates persist in many states. From July 2007 to July 2009, unemployment doubled in twenty-four states, and had nearly doubled in eleven others, with the national unemployment rate rising by 3.9 percent. In July 2007, thirty-eight states had unemployment rates of 5 percent or below, a rate many economists term the “natural rate of unemployment.” By July 2009, just three did so — and eleven were double the 5 percent rate.

The recovery in unemployment rates from the bottom point of the recession in June 2009 has been slow but steady. In July 2009, twenty-two states reported unemployment rates above 9 percent, and by July 2011 twenty states still did; by July 2012, just nine did. Most states have experienced declining unemployment rates in the past year.

The persistently high unemployment has coincided with the end of ARRA funding, and a slow recovery in state tax revenues for college operating budgets. This in turn challenges community colleges to deliver worker retraining that business leaders want them to provide.

**Changes in Unemployment Rates in the Past Year**

U.S. Bureau of Labor Statistics (BLS) data from July 2011 to July 2012 show that in forty-four states the unemployment rate declined, in two it stayed the same, and in four it increased. The four states with higher unemployment rates were Alaska (up 0.1%), Louisiana ( +0.3%), New Jersey (+0.4%), and New York (+0.9%). The trend of improving unemployment rates in recent months is unmistakable, yet much more progress must be made to return to 2007 levels.

**Certificates and Other Labor Market Credentials**

Certificates differ from other kinds of labor market credentials. Certificates are often confused with industry-based certifications, like a Microsoft or Cisco certification, for example. The essential difference between a certificate and an industry-based certification is that the certificates are earned through seat time in a classroom and industry-based certifications are awarded based on performance on a test, irrespective of where the learning occurs.

Source: Anthony P. Carnevale, Stephen J. Rose, and Andrew R. Hanson. “Certificates: Gateway to Gainful Employment and College Degrees” (Washington, DC: Georgetown University, Center on Education and the Workforce, June 2012).
Has high unemployment overwhelmed available retraining dollars from the federal Workforce Investment Act (WIA) and other sources for community colleges? Table 4 charts out how many states report exhausting their available workforce training funds via WIA and other sources for colleges. In 2009 when we first surveyed this item, sixteen said these funds were being or had been exhausted, and in 2010 that number rose to twenty-four; by 2011 it was twenty-one, and in 2012 it had declined to nineteen. On the flip side, in 2009, seventeen said their funds had not been exhausted; that number declined to eight in 2012. While the trend shows some improvement in 2011 and 2012, respondents indicating an opinion by a two to one margin still indicate that the numbers of unemployed and displaced workers have exhausted available workforce training funds. This demonstrates the challenge workers face in accessing services. As workforce funds continue to be limited, community colleges as place-based institutions accountable to communities and regions are challenged to tailor a patchwork quilt of federal and state employment and training, welfare to work, and adult literacy programs that fit local needs.

When President Obama announced his American Graduation Initiative at Macomb Community College in July 2009, he recognized a former Chrysler employee. This male student was a former United Auto Workers member who had just completed a nursing program at Macomb to transition into a job with a future. We find in 2012 (Table 4) even more respondents indicating pressures to offer or expand “quick” job-training programs in non-credit areas. In 2010, when we first posed this item, seventeen said they faced such pressures; in 2011, twenty-eight said so; and in 2012, thirty say so. It is significant that the number saying they do not face such pressures declined from fifteen in 2010 to eight in 2012.

Can community colleges help the nation build the workforce of the future if they are focused on short-term training, and cannot expand (and may cut) longer-term academic programs in high-cost/high-demand areas like allied health, nursing, engineering, and information technology?

Table 5 shows the mature understanding on the part of state community college officials as to the need to expand high-wage jobs through expanding high-cost programs and curricula. In 2011, a strong majority of respondents — forty-two — agreed funding for these programs was needed in their states; in 2012, forty-five of fifty respondents indicated agreement. By a margin of ten to one, respondents indicate the need for investments that will be tied

---

### Table 4. Workforce Investment Act Funding and the Unemployed

<table>
<thead>
<tr>
<th></th>
<th>Increased numbers of unemployed/displaced workers have exhausted available workforce training dollars via WIA and other sources for colleges in my state</th>
<th>Concerns over high numbers of unemployed workers are pushing community colleges to offer or expand “quick” job training programs in noncredit areas in my state</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>Agree</td>
<td>12</td>
<td>17</td>
</tr>
<tr>
<td>Neutral/Don't Know</td>
<td>17</td>
<td>16</td>
</tr>
<tr>
<td>Disagree</td>
<td>16</td>
<td>9</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>
Our 2010 survey asked if funding was insufficient to hire full-time faculty to staff programs in high-wage careers and fields, such as nursing and engineering technology; of forty-four expressing opinions, thirty-one agreed and thirteen disagreed, or about three to one. Past surveys have shown strong majorities indicating that their community college funding formulas had a preference for low-cost, high-volume programs as compared to higher-cost, lower-volume programs in areas such as STEM. It is therefore not surprising that thirty-one of the 2012 respondents say that a significant shortage of faculty in high-cost technical areas exists in their states (compared to only nine who say not). More research on this specific point is clearly needed, for it is possible that some realize there’s no way to fund it, and may therefore indicate “don’t know.”

By a two to one margin among those respondents venturing an opinion, there was agreement that enrollment growth at their state’s community colleges has been greater in lower-cost transfer programs than in higher-cost career-focused, for-credit programs. This was true for both 2011 and 2012. In 2012, when asked if their state office was able to link Unemployment Insurance data and employment data with community college data, twenty-seven said it was, eleven said it was not, and twelve were neutral or didn’t know. These data are particularly important for recent efforts to measure success, such as the American Association of Community Colleges’ Voluntary Framework for Accountability and the outcome measures outlined in the recent U.S. Department of Labor Trade Adjustment Assistance Community College and Career Training (TAACCCT) grant program. Further research is needed to understand the availability and potential use of these data.

**Conclusion: Workforce Training — The Underfunded Mandate for Long-Term Capacity**

As policymakers and business leaders look to community colleges to meet college completion goals, train the next generation of workers, and retool those seeking to re-enter the workforce and upgrade skills, it is important to both recognize and understand
the many approaches employed and constraints felt within the sector. Our findings reveal that state community college leaders believe high unemployment has strained the available workforce training capacity at community colleges in many states, as budget woes limit the development and maintenance of programs to prepare individuals for high-skill, high-wage jobs. At the same time, the majority of states are working within those constraints in the areas of credit-based certificates and stackable and industry-recognized credentials, all while attempting to maintain the comprehensive community college mission in a time of great fiscal stress in the governments of the states.

If community colleges are to assist workers to achieve economic competitiveness and help the nation to economic recovery, the capacity strains described in this report cannot remain undressed. During the most recent recession and through this recovery, there has been a sharp focus on preparing individuals in the short-term to gain employment, and this is an important role for community colleges and the nation’s Workforce Investment System. Even as community colleges have long been known for persisting despite budget cuts and enrollment increases, we are left wondering about the long-term capacity of community colleges to engage in multiple strategies given budget cuts and funds needed to expand ever-important technical programs.

We therefore conclude that progress will be difficult, particularly if states continue to cut community college operating budgets. Creating a formal preference for community colleges in WIA and other federal workforce training programs deserves serious consideration by federal policy makers as Congress reauthorizes these programs. By a better than ten to one margin, respondents report business leaders expect community colleges to train workers (Table 2), yet by a two to one margin of those venturing opinions, training funds from WIA and other sources are exhausted. We note that even among the forty-four states reporting lower unemployment rates from July 2011 to July 2012, workforce training funds were exhausted in many. With exhausted training funds and continuing state budget cuts, the ability of community colleges to serve workers in need of retraining, and to build the workforce of the future, is without doubt constrained. As Governor Winter said in 1989, “There must be a sense of urgency that attaches to the creation of a national resolve to make the investments in human resources that will enable us to be more competitive in the future.”

The time has come again for that urgency.
Endnotes

6  Ibid, foreword, Katsinas and Lacey, 1989
9  The National Council of State Directors of Community Colleges (NCSDCC) is an affiliated council of the American Association of Community Colleges (AACC). This report was written independently; neither the NCSDCC nor the AACC formally endorsed it.
10 Responses were received from fifty of fifty-one NCSDCC members or their designees. Community college state associations responded for Arizona, Maryland, Nebraska, New Jersey, New Mexico, and Pennsylvania; and the University System of Georgia and the Technical College System of Georgia both responded; the State University of New York System Office responded on behalf of the Empire State. Only Maine did not respond.
11 The Advisory Panel for the 2012 Survey of Finance and Access in Public Higher Education included Marilyn J. Amey, Michigan State University; Brent D. Cejda, University of Nebraska-Lincoln; Marc Cutright, University of North Texas; Pamela Eddy, College of William & Mary; Linda Serra Hagedorn, Iowa State University; Arthur M. Hauptman and Cary A. Israel, president, Collin College District (TX); Daniel J. Hurley, American Association of State Colleges and Universities; R. Frank Mensel, Education Policy Center, The University of Alabama; Michael T. Miller, University of Arkansas at Fayetteville; James C. Palmer, Illinois State University; James O. Rose, Wyoming Community College Commission; Terrance A. Tollefson, East Tennessee State University; and Eboni Zamani-Gallaher, Eastern Michigan University.
12 Only Maine did not respond. Because Georgia has public two-year colleges under the University of Georgia System and Georgia Technical College system, there were 51 possible responses.
14 Ibid. See Iowa Report.


27 Shaffer, “The States and Their Community Colleges.”


35 Ibid.


41 Winter, 1989.

About the Education Policy Center at The University of Alabama

The Education Policy Center seeks to inform and improve education policy making and practice, and our understanding of the roles education plays in a free society, through a program of research, topical and historical analyses of education issues, and services for education practitioners and policy makers. Stephen G. Katsinas is director of the Center; his research interests are in higher education and state and federal policy, and access and finance issues for both two- and four-year institutions. Associate Director Wayne Urban, a historian of elementary and secondary education in the United States, recently authored the book More Than Science or Sputnik: The National Defense Education Act of 1958, and has written about No Child Left Behind and charter schools. The Center hosts The University of Alabama Superintendent’s Academy under the leadership of Richard L. Rice, Jr. The Center’s work is assisted by Senior Fellows Vincent A. Lacey, Mary Allen Jolley, James E. Dotherow, Pat G. Moeck, R. Frank Mensel, David S. Murphy, Robert P. Pedersen, John E. Petrovic; Fellows A. Delphine Harris, Michael A. Kennamer, John Clinton Kinkead II, Kristie R. Rankin, and Melissa P. Tarrant; and Research Associates R. Matthew DeMonBrun, Oliver Keys, and Rebecca Midkiff. This issue brief was written by Stephen Katsinas, Mark M. D’Amico of the University of North Carolina at Charlotte, and Janice N. Friedel of Iowa State University, with the assistance of EPC Research Associates J. Lucas Adair, Phillip D. Grant, Jonathan P. Koh, William Rex Bailey, and D. Nelson Tidwell.