



JOHN J. HELDRICH CENTER FOR
WORKFORCE DEVELOPMENT

**Deploying Community Colleges
to Strengthen State Economic
Development: A National Study**

by Jennifer Cleary and Aaron Fichtner, Ph.D.

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I. Executive Summary

Introduction

State governments across the nation are engaging community colleges as cornerstones of their comprehensive economic development strategies. This report summarizes the efforts of 10 states, recommended by national experts, to deploy community colleges in support of state economic development priorities. The 10 states are:

- ♦ Florida
- ♦ Georgia
- ♦ Illinois
- ♦ Iowa
- ♦ Michigan
- ♦ Mississippi
- ♦ North Carolina
- ♦ Pennsylvania
- ♦ South Carolina
- ♦ Washington

In today's post-industrial, knowledge-based economy, companies need access to both a highly skilled workforce and the educational resources that can help workers learn new skills. Recognizing the unique and substantial role they can play in meeting companies' workforce needs, policymakers in the 10 states profiled in this report are turning to community colleges as key resources for attracting, maintaining, and supporting key employers in their states.

The 10 states were selected based on recommendations from local and national economic and workforce development experts and a review of the research literature. Findings reflect research that included over 20 interviews with senior state and local community college and economic development professionals and reviews of state Web sites and scholarly studies.

Key Findings

1. States profiled for this study deploy community colleges to strengthen state economic development using three types of programs or initiatives that:
 - Support the development of a well-trained workforce,
 - Meet the training needs of individual companies, and
 - Address the workforce needs of key economic sectors and industries.
2. Officials interviewed for this study report that these programs are successful because states have:
 - Created mechanisms for collaboration and set clear goals for coordination efforts that balance the needs of state and local stakeholders,
 - Identified their key industry clusters and developed regionally based plans to support the workforce needs of those clusters, and
 - Provided stable funding for community colleges to support state economic development priorities.

Finding #1: State governments profiled in this study deploy community colleges to support state economic development efforts using three types of programs.

1. Programs to enhance the skills of the state's entire workforce

Recognizing the importance of a skilled, educated workforce to economic development, states in this study have created or expanded programs that promote

access to, and development of, general academic and workforce development programs at community colleges.

These states have long provided funding for community colleges to offer degree, certificate, and continuing education programs designed to improve the skills of state residents. Some states have built on this foundation by creating programs that increase student access to postsecondary education at community colleges and by launching efforts to strengthen the training offered by community colleges.

For example, **North Carolina**, through the Occupational Continuing Education Program, provides subsidies for students to pursue non-credit vocational education courses. Several states, including **Pennsylvania** and **Washington**, have developed *dual enrollment* or similar programs that allow high school students to earn credits at local community colleges, and thus make smoother transitions to further education.

Other states have launched efforts to ensure higher consistency and quality of training for state workers and employers. **Michigan** has implemented the Worldwide Instructional Design System, which promotes the development and sharing of competency-based curricula among community colleges through innovative software. In addition, **Florida's** Project Frameworks establishes minimum standards for all of the state's postsecondary vocational education courses.

2. *Programs to meet the training needs of individual companies*

Governments in the profiled states have also provided longstanding support to customized training programs that offer financial assistance to companies to upgrade the skills of their employees. Several states have defined a significant role for community colleges in such programs.

Iowa, Mississippi, North Carolina, and South Carolina have designated community colleges as the *sole providers* of state-funded customized training.

Florida, Georgia, Iowa, and South Carolina have developed a *highly visible, single point of entry to access training at community colleges*. For example, **Georgia** provides companies with one-stop access to customized training services at community technical colleges and other public postsecondary schools through its Quick Start program. State-level personnel in this program assist businesses to identify training requirements and match them with a community college to meet the company's needs. In addition, **Iowa's** unique One Source program, developed by the state's consortium of community college presidents, offers companies coordinated training services at all of the state's community colleges. The colleges share curricula to meet companies' training needs throughout the state.

3. *Programs or initiatives to develop a trained workforce for key sectors of the state economy*

States profiled in this study increasingly target economic development efforts to vital sectors of the economy, including industries, groups of related businesses known as industry clusters, and occupations. Several states are mobilizing community colleges and other stakeholders to produce a well-trained workforce for these key industries. These efforts are the newest, and perhaps most exciting, way that state governments use community colleges in support of state economic development goals.

Several states, including **North Carolina, Michigan** and **Illinois**, provide funding to community colleges and other stakeholders to form partnerships and develop *customized solutions* to the workforce needs of targeted industries. For example, **North Carolina's** Workforce Initiatives program funds an array of projects designed to meet the training needs of important state industries. For example, the BioNetwork project has created new biotechnology courses at all of the state's community colleges, as well as a hands-on training center for use by community college students, to improve the pipeline of skilled workers for the biotechnology industry.

Similarly, state officials in **Illinois** developed the Critical Skills Shortage Initiative. The program funds regional partnerships of community colleges, companies, and workforce and economic development agencies. The partnerships identify occupations with skills shortages,

uncover the causes of the shortages, and develop unique solutions.

States including **Florida, Pennsylvania,** and **Washington** have developed programs that provide additional state funding to community colleges to develop *degree or certificate-based programs to support high demand occupations and industries*. For example, **Pennsylvania's** community colleges receive higher than normal reimbursement rates under the state's Economic Development Stipend Program for training students in demand occupations and industries identified by state officials.

Other states use community colleges to develop trained workforces for key industries by establishing *centers of excellence* and *innovation zones*. States including **Washington** provide financial support to community colleges to establish centers of excellence in key industries. The centers represent partnerships with companies and other community colleges to develop and share state-of-the-art, industry-based curricula, training facilities, and product incubator laboratories. In **Pennsylvania, North Carolina,** and **Michigan**, policymakers are increasing community college involvement in innovation zones, which provide incentives for academic institutions, employers, and other stakeholders to develop research and development and training-related partnerships designed to improve the business climate for entrepreneurs and businesses in targeted industries.

Finally, some states are using community colleges to deliver training for key industries based on *nationally*

recognized industry skill standards. For example, The Research Curriculum Unit at **Mississippi** State University develops curricula for the state's secondary schools, community/junior colleges, and vocational centers that incorporate industry, academic, and basic workplace skills standards and are aligned with industry skill certification requirements. **Michigan's** Technical Education Centers, which are guided by regional public-private partnerships and staffed by community college instructors, offer open enrollment training based on industry skill standards to workers in the state's key industries. In addition, **Georgia** has created Certified Specialist Programs at the state's two-year technical colleges to deliver training based on nationally recognized skill standards for occupations in major state industries.

Finding #2: Successful state efforts to deploy community colleges to support economic development share three common elements.

Three broad strategies state policy leaders use to ensure the success of programs designed to engage community colleges in state economic development efforts emerged from interviews with officials. While not every state has implemented these steps, nearly all of those who were interviewed agreed that these approaches were vital to the accomplishment of state efforts. These approaches, as well as examples of specific actions states have taken in these areas, are:

1. Successful states create mechanisms for collaboration

For example, the governors in **Michigan, North Carolina, and Washington** have formed special councils to address economic development. These councils have strong representation from state-level community college personnel, economic and workforce development professionals, companies, and other stakeholders. The councils ensure that all state organizations are working together to accomplish a common set of economic development goals.

Elsewhere, state-level departments and other organizations have developed mechanisms for inter-agency collaboration to improve economic and workforce development planning. For example, **Washington's** statewide Workforce Investment Board hosts regional "Skills Summits" that bring community college representatives together with workforce and economic development policymakers and key business leaders to identify and solve regional workforce development challenges.

In **North Carolina**, state community college representatives are included in business recruitment efforts led by the Department of Commerce. Officials meet directly with businesses to construct individualized training-based incentives to be delivered by the state's community college system.

Officials who were interviewed stressed the importance of setting clear goals for collaboration efforts. According to them, success depends on policymakers setting goals that are responsive to the needs of state and local stakeholders. For example, **North Carolina**'s Economic Development Council establishes statewide priorities and identifies potential partnership opportunities involving businesses and community colleges. However, local colleges provide input about local needs and potential partnerships to the state and exercise considerable independence in implementing funded projects.

2. Successful states identify key industry clusters in the state and develop plans to support the economic growth of those clusters

Each state in this study conducted research to identify industries and groups of interrelated businesses — known as industry clusters — that are important to the state economy. These studies identify where vital concentrations of businesses are located and inform the development of state economic development strategies. For example, **Washington**'s governor-appointed Competitiveness Council conducted a statewide study in 2001 that identified regional concentrations of key industry clusters. Following the study, the state legislature passed a law requiring that the state pursue a regional, cluster-based approach to economic development.

In fact, every state in this study has developed a regional approach to economic development based on the findings from industry cluster studies. For example,

Illinois and **North Carolina** have developed economic development strategies around their respective economic regions, each focusing on the unique groupings of businesses and industries identified in their industry cluster studies.

Also in response to an industry cluster study, the **Michigan** Department of Economic Development created 16 Regional Skills Alliances. The alliances are employer-led and regionally based. Community colleges and other stakeholders work with companies to identify and solve local workforce challenges in industries targeted by the state for economic growth.

3. Successful states create stable funding for community colleges to support state economic and workforce development priorities

Nearly all officials interviewed for this study felt that stable funding was important to ensure that community colleges make significant, ongoing contributions to state economic development efforts. While few state governments have fully addressed this issue, several states have taken significant steps to ensure that community colleges have funding to maintain activities and programs that support state economic development goals.

For example, **Pennsylvania** recently redesigned its basic funding formula for community colleges, dedicating \$23 million in additional funding for community colleges to align their services with state economic development priorities.

Mississippi, Washington, Iowa, and North Carolina have established categorical funds to support workforce development programs. Similar to New Jersey's Workforce Development Partnership Fund, these specialized budget categories provide a secure funding source for customized training and other programs in which community colleges participate. **North Carolina** also created the Workforce Initiatives Program, which consolidates state, federal, and private funding sources to support key economic development projects at community colleges. In **Iowa**, community colleges are authorized to sell training bonds to employers to support customized training activities, providing them with a level of control over the amount of funds raised.

To remain competitive, New Jersey policymakers should define a more essential role for community colleges in its plan to grow the state's economy. Policymakers should enhance the state's existing programs and incorporate major lessons learned in other states.

Conclusions

The states profiled in this study use a variety of programs to deploy community colleges to provide substantial contributions to state economic development goals. State governments have created programs involving community colleges that raise the skill levels of all workers, provide training and other benefits to particular firms, and offer broad-based support to important sectors of the economy.

While these programs take different forms, all share similar elements. The need for strong leadership, coordination, and partnerships among stakeholders, as well as access to ongoing funding was a consistent theme in interviews with state and local officials. In addition, all states profiled have focused their efforts on key industry clusters.

II. Introduction

Through a variety of credit and non-credit course offerings, community colleges have long played a role in educating the state's workforce. In addition, community colleges have also provided training, consulting, and other services directly to employers through state-supported, firm-specific training programs, and other state, local, and regional initiatives.

However, as policymakers around the nation look for new strategies to improve the economic competitiveness of their states, some state governments have developed innovative ways to directly engage community colleges in the state's comprehensive economic development strategy.

This report profiles the primary methods that 10 leading states have used to deploy community colleges to support state economic development strategies. Researchers sought the recommendations of experts in economic and workforce development, as well as the scholarly literature, to choose states that were included in this study. States were recommended to the Center based on their reputation for using innovative strategies to engage community colleges in statewide economic development plans.

Heldrich Center researchers conducted over 20 interviews with senior state and local community college, workforce development, and economic development policymakers and staff in Illinois, Iowa, North Carolina, Pennsylvania, South Carolina, and

Washington. Researchers also performed Internet and literature-based reviews of coordination activities in these six states, as well as in Florida, Georgia, Michigan, and Mississippi.

The programs and strategies included in this report provide examples of the *myriad ways* states have addressed similar economic development issues. Due to fundamental differences in state governance structures, state economies, and other factors, some of the specific programs and strategies discussed here may not be directly transferable to New Jersey's unique environment. However, the report identifies the common features of the most promising state approaches to assist New Jersey policymakers in developing customized solutions for the state.

III. Findings

Each state profiled has a unique history with regard to the role that community colleges play in economic development. Officials and state Web sites in several southern states, including North Carolina, South Carolina, and Georgia, reported that community colleges were established in their states to serve business training needs and to promote economic development. In other states profiled, community colleges were created, first and foremost, to prepare students to enter a four-year college or university.

These historical differences have affected the pace and extent to which state governments have developed formalized ways to involve community colleges in economic development. Further differences in governmental structures, bureaucratic culture, and other factors have also led to significant differences in specific state strategies and programs, as well as differences in the management and funding of these programs. Nonetheless, this research demonstrates that, when viewed broadly, policymakers in all states included in this study have taken similar types of steps to make the involvement of community colleges in comprehensive state economic development programs possible.

Researchers found that governments in the profiled states deploy community colleges in support of the state's economic development efforts in two ways. First, they use state programs and initiatives to define unique and substantial roles for community colleges in statewide economic and

workforce development plans. Second, policymakers in the most successful states use similar elements to coordinate community college activities and ensure the success of key programs.

Programs that Engage Community Colleges in Support of State Economic Development Priorities

Programs described by state officials and Web sites to deploy community colleges to strengthen state economic development strategies fall into *three categories*: Programs that provide: 1) *training designed to enhance the skills and educational attainment of all workers*, regardless of occupations or industries; 2) *training that is targeted to specific firms*, and 3) *training and services designed to provide broad-based support to entire industries, groups of interrelated businesses, or occupations*.

Together, these programs provide a continuum of benefits to the state's employers and workers that are designed to enhance both general and targeted economic development efforts in the state. While all of the programs allow community colleges to contribute to economic development to varying degrees, this report focuses on those programs that state officials and Web sites highlighted as being *integral to the state's current economic development strategy*.

1. Programs that enhance the skills of the state's entire workforce

Community colleges have a longstanding commitment to promote the educational development of the state's workforce through degree and certificate-

based programs, continuing education services, and programs that provide vocational skills training to the state's dislocated workers, disadvantaged populations, and other citizens. Policymakers in several profiled states have introduced programs or initiatives that promote access to and/or development of general academic and workforce development curricula at community colleges as a means to *further specific state economic development goals*.

Examples of such programs include **North Carolina's** Occupational Continuing Education program, which partially subsidizes tuition for all workers who would like to upgrade their skills. The program was created to increase the number of citizens who possess basic vocational skills by improving access to vocational programs at community colleges. In addition, the state's 1+1 program allows students to begin their training at one school and to finish more advanced studies at another school with greater capacity in this area, enhancing workers' access to advanced training options. Similarly, the **Iowa** Communications Network aims to improve access to basic academic and vocational training at community colleges by offering distance learning courses throughout the state.

Several states have implemented dual enrollment or similar programs that allow high school students to earn credits at a local community college and transition easily into degree and certificate based programs at the college. Through the Job Ready PA workforce and economic development initiative, **Pennsylvania** has developed the

Project 720 program to allow high school students to gain college credits and work experience. A separate dual enrollment program allows students to earn high school and college credits simultaneously. Under this program, colleges are reimbursed by the state on a per full-time equivalent student basis. **Washington** State's Running Start program allows motivated high school juniors and seniors to apply to take courses at a local community college while receiving high school and college credits.

A number of state governments have also sponsored projects and programs designed to attract and retain employers by improving the consistency and quality of training employers receive from the community college system. For example, the **Michigan** Department of Economic Development recently implemented the Worldwide Instructional Design System in 24 of the state's 28 community colleges. This software, originally developed by the Wisconsin Technical College System, promotes the development and sharing of competency-based curricula among community colleges.

Similarly, **Florida's** Project Frameworks establishes minimum standards for all of the state's postsecondary vocational education courses.

Washington's I-best program is also noteworthy. The goal of the project is to strengthen the state's workforce by improving the quality of training for workers who need both basic skills and specific occupational training by providing incentives for community colleges to develop and share research-based

instructional models for integrated education that are practical to implement. The program provides funding for community colleges and other educational institutions to create pilot programs that integrate basic skills and job training, a strategy that researchers have been advocating for decades.

2. Programs to meet the training needs of individual companies

Statewide customized training programs, which assist individual companies to obtain individualized training, have been in place for many years in most states around the country. This training, often funded or subsidized by state government, assists companies to upgrade the skills of their employees in the areas needed to make their firms more competitive and productive.

According to many of the officials interviewed for this study, policymakers consider their state's customized training programs an important economic development tool. Since community colleges in the profiled states provide some or all of this type of training to employers, these programs serve to mobilize colleges to support state economic development goals.

Many states profiled in this study offer multiple customized training programs. Several states that were reviewed have established one program for *new worker training that is targeted to all new and expanding businesses* in the state, as well as a separate program designed to serve *incumbent workers in existing firms*. In general, the first type of program is made available to all businesses that agree to create

a certain number of jobs, while the second is open to firms affected by a rapid change in technology or other workforce issue.

The customized training programs offered by most states included in this study are open to all firms that meet minimum requirements and are *not* targeted specifically to industries identified for economic development. However, given that most states have targeted particular industries in their business recruitment strategies, many of the customized training grants awarded under a state's new and expanding business training initiative fall within the state's targeted growth industries. In addition, some innovative states included in this study have developed programs that promote the delivery of customized training to businesses in key industry clusters. Where training services are not targeted to growth industries, they are still generally supportive of state economic development goals as they are designed to help key employers in the state to remain competitive.

In some states, such as **Iowa**, **Mississippi**, **North Carolina**, and **South Carolina**, policymakers have designated community colleges to provide *all* customized training services. Similarly, in **Georgia** all customized training is provided through state-supported educational institutions, including community and technical colleges, as well as universities.

Several states have also developed mechanisms to provide one-stop access for employers to their customized training programs as a means to improve the value of the program as an employer incentive. For example, **Georgia's** Quick Start program,

Florida's Quick Response Training program, and **South Carolina's** Center for Accelerated Technology Training (CATT) offer employers a highly visible and accessible single point of entry for obtaining needed training services.

All of these programs offer skills assessment services to help employers identify their critical skill needs. Once the assessment is completed, Quick Start and Quick Response Training assign the employer to an appropriate local community college liaison, who works with the business to coordinate resources on a local level and to develop curricula. In South Carolina, state CATT staff, in coordination with local community college staff, work directly with employers to develop curricula and to identify appropriate on- or off-campus training facilities. Often, workers will receive pre-employment training at the CATT, located in the center of the state. CATT personnel then assign employers to local community colleges near their business operations to receive ongoing training support.

Quick Start has been praised by *Fortune*, *Training*, and *Expansion Management* magazines for its flexibility, coordination, and effectiveness, while officials in South Carolina stated that several large employers, including BMW, have cited CATT as a major factor in their relocation decision.

Iowa's One Source initiative promotes the sharing of curricula among community colleges in order to provide consistent workforce training to companies that have multiple sites within the state. The program,

developed by community college presidents, standardizes the cost and delivery of custom-developed curricula so that similar training services can be accessed by company employees attending different community colleges. The program also markets the benefits of the community college system to employers, provides them with a single point of entry for obtaining worker training, and ensures consistency in quality and delivery in certain workforce training areas across the entire community college system.

Several states, including **Georgia** and **North Carolina**, have also developed statewide master course lists that allow employers to browse the course offerings of all of the state's two-year colleges. This approach helps to market the collective advantages of a state's community college system in an easy-to-access format.

3. Programs or initiatives to develop a trained workforce for key sectors of the state economy

Governments in profiled states are increasingly engaging community colleges to deliver services that meet the needs of a range of employers within industries that policymakers have targeted for growth, or that support training for high demand jobs. This is a newer area for community college involvement in economic development, but one that state officials report has become increasingly important for building the fertile education and research environment that supports business growth. Program models include:

- *Customized projects* that support solutions to workforce issues in high growth industries or jobs.

According to those interviewed for this study, it is important for states to create programs that allow local and regional areas to create unique local and regional solutions that support state economic development goals in ways that benefit all stakeholders. Such flexible programs can allow states to address local employer demands and capitalize on existing partnerships between organizations at the local level.

For example, **North Carolina's** Workforce Initiatives program combines federal Workforce Investment Act and Wagner-Peyser funds with state categorical funding and other sources to create solutions to meet the training needs of the state's target industries. The state has used this program to fund a variety of projects, including an initiative designed to address the shortage of qualified nursing trainers at community colleges, which has been cited as a major contributor to North Carolina's nursing shortage. The project mixes federal and state resources to provide stipends to send nurses to earn a Master's degree and teach at the community college for at least two years. One of the most successful projects supported by the Workforce Initiatives program is North Carolina's BioNetwork, which combines federal, foundation, and state monies to create a state-of-the-art training facility at the University of North Carolina that allows the state's community colleges to send their biotechnology students to receive hands-on training in the use of advanced manufacturing equipment. The program

serves as a technological centerpiece that attracts additional students to biotechnology courses at community colleges around the state.

Illinois has created the Critical Skills Shortage Initiative (CSSI), which uses federal Workforce Investment Act funds to support an array of research, partnerships, and creative solutions to skill shortages in targeted industries. CSSI provides funding for industry-based research designed to identify industry clusters, regional and local skill shortages, and the root causes of those shortages. Often, community colleges are involved in these research and planning efforts at the local level. The program also supports a variety of collaborative efforts involving community colleges that are designed to address industry needs. These efforts may include solutions ranging from dual high school/community college enrollment programs that strengthen the entire worker pipeline, to customized training solutions, and to multi-college training delivery efforts that address regional industry needs.

- Programs that promote the development of *degree and certificate programs to train workers for high demand jobs and industries.*

All states profiled reimburse community colleges for each full-time equivalent (FTE) student enrolled in coursework. However, according to those who were interviewed for this study, using a standard reimbursement rate for all courses that does not take cost or employer demand into account presents barriers to engaging community colleges in support of statewide economic development

efforts. Such immutable rates can act as a disincentive for community colleges to developing advanced courses in high demand areas that may have a higher cost associated with them. To ensure that community colleges invest in the more sophisticated training that today's employers need, **Pennsylvania** and **Washington** have developed programs that provide a higher FTE rate to colleges for students that participate in degree and certificate programs in state-defined, high demand occupations or industries.

Pennsylvania's Economic Development Stipend Program reimburses all colleges that train students in high demand occupations and industries identified by state officials at a higher than normal rate. The actual amount above the standard rate that each college receives varies depending on the total number of eligible FTEs each year. **Washington's** High Demand Occupation Program authorizes a standardized FTE rate to colleges for students enrolled in qualified programs that is higher than the normal FTE reimbursement rate. This higher rate, the funding for which was carved out of the state's total base funding allotment for community colleges, is offered to colleges on a competitive grant basis.

Similarly, in 2005, the **Florida** legislature created the SUCCEED Florida Grant program. The program awards competitive grants to public and private high schools and postsecondary institutions, including community colleges, to support new or expanding programs in nursing education and teacher certification, as well as to develop career academies. The state's Jobs for Florida's Future program also funds the

development of new or expanding programs at community colleges that address other high demand sectors and occupations targeted by the state for development. According to state Web sites, this program is an integral part of the Florida Chamber of Commerce's 2005 business agenda. Jobs for Florida's Future supports programs at community colleges that train workers for occupations that range from nurses, to network administrators, to homeland security personnel.

- *Centers of excellence* at community colleges that showcase a college's curriculum expertise, research and training laboratories, and other strengths in key industry areas.

Several states profiled in this study have established centers of excellence at community colleges. Centers of excellence strengthen the capacity of the host college, as well as other colleges in the region and the state, by developing and disseminating new curricula and skill standards that support the needs of the target industry. The centers generally include state-of-the-art training and research and development facilities that promote technological advancements and provide hands-on training for industry workers and students from surrounding community colleges. By showcasing advanced training programs and facilities, the centers also serve to help attract and recruit new workers to high demand jobs in the target industry.

For example, **Washington** has developed several unique centers of excellence by issuing competitive leadership grants to community colleges. The joint

Center of Excellence for Materials and Process Development at Washington's Edmonds and Everett Community Colleges supports the region's advanced aerospace materials manufacturing industry by offering a full airplane prototype development laboratory. The lab acts as a training facility, generates valuable research that aerospace materials manufacturers in the region can use to improve production processes and make their businesses more competitive, and helps to attract students to the industry.

Community colleges, in partnership with businesses and other stakeholders, apply to the program to receive capital and initial operating funds to develop specialized curricula and training and research incubator facilities. Grants are awarded to colleges that demonstrate an understanding of regional skill gaps and present a plan for collaborating with other educational institutions, employers, and other key stakeholders to develop and share curricula, facilities, or expertise.

- *Innovation zones* dedicated to supporting partnerships between businesses, community colleges, universities, and others to build a fertile environment for business growth in particular industry clusters.

Several states, including **North Carolina, Michigan, and Pennsylvania**, have designated portions of their states as "innovation zones." Within these zones, states dedicate resources to forge or enhance partnerships between educational institutions, employers, and other stakeholders to stimulate growth in local

high-technology businesses and jobs. Innovation zones are often designed to support the development of new technologies and patents within the state's colleges and universities that can benefit area businesses and improve the region's economic competitiveness.

North Carolina has created the classic example of an innovation zone. Research Triangle Park was formed by targeting strategic investments to the area's colleges and universities to support unique educational partnerships, cutting-edge research and development, and the creation of state-of-the-art training and incubator facilities.

Michigan has developed the innovation zone concept further by creating a variety of SmartZones, each focusing on an industry relevant to the area, that promote extensive training, research, and development oriented partnerships among community colleges, universities, and other stakeholders to support target industries. For example, the Battle Creek Aviation and e-Learning Smart Zone focuses on aviation, aerospace, and e-learning research and development and is supported by Western Michigan University College of Aviation and Kellogg Community College Regional Manufacturing Technology Center.

Pennsylvania also has a similar initiative, the Keystone Innovation Zone program. The program includes projects such as the Southside Bethlehem Keystone Innovation Zone, which brings together Northampton Community College, Lehigh University, several area employers, and other stakeholders to create a "knowledge

neighborhood” focused on high-technology industries including life sciences, opto/microelectronics, information technology, and advanced materials/nanotechnology. A unique feature of the program is the introduction of Keystone Innovation Starter Kits, which provide start-up grants to local colleges and universities that allow them to recruit skilled faculty in targeted industry areas.

- Programs that encourage community colleges to use *nationally recognized industry skill standards* to design workforce training.

Georgia, along with several other states including **Michigan** and **Illinois**, has embraced the use of nationally recognized industry skills standards to create standards-based training for high demand occupations in its technical colleges. This serves two purposes. First, it encourages consistency in the quality of training delivery across multiple colleges in the state. Second, it ties instruction directly to the key skills that industry experts have identified as critical to job success.

For example, the Georgia Department of Technical and Adult Education (DTAE) offers Certified Specialist Programs, designed by experts in the field, which are offered at the state’s technical colleges. These programs are designed to help employers in industries targeted by the state for economic development to find consistent, high-quality workforce training based on nationally recognized skills standards. For example, the Certified Construction Specialist program was designed in collaboration with the

Foundation/Alliance of Georgia and the National Center for Construction Education and Research. Certifications currently offered by DTAE include Certified Customer Service Specialist, Certified Manufacturing Specialist, Certified Construction Worker, Certified Warehousing and Distribution Specialist, and Information Technology Plus. Some employers offer premiums if a worker becomes certified and others guarantee interviews to applicants with certifications.

Michigan’s Technical Education Centers offer training in high demand jobs and industries through a network of off-campus facilities staffed by community college faculty, but guided by a board of employers, economic developers, and workforce development professionals. The program earned a Gold Economic Development Achievement Award in 2002 from *Business Facilities*, a well-established economic development publication focused on corporate relocation issues. A series of 18 centers across Michigan offer instruction based on industry skill standards. Facilities are located in sites that are convenient for workers, such as industrial office parks, and training is customized to address skill shortages in local areas. A key feature of the program is that it is not tied to a college semester schedule. Rather, training is offered on an open enrollment/open exit basis using a modular skills-based approach so that workers can attend as long or as short of a time as is needed to obtain targeted skills.

Approaches State Governments Use to Ensure that Programs are Successful at Engaging Community Colleges in State Economic Development Efforts

State representatives interviewed for this study agreed that there must be a strong leader at the state level to champion the cause of making community colleges a cornerstone of a state's economic development strategy. To be successful, states agree that stakeholders — from community college presidents to legislators to economic development professionals — must appreciate the positive role that community colleges can play in statewide economic development.

Beyond this, officials interviewed for this study agreed on three broad strategies state policy leaders use that are important to the overall success of the state's effort to engage community colleges in addressing state economic development priorities. Not every state had actually taken steps in all of these areas. However, even in states where these strategies were not yet enacted, officials were in agreement that these strategies were important determinants of success. These approaches, as well as examples of specific actions states have taken in these areas, include:

1. *Successful states create mechanisms for collaboration among state-level stakeholders, require clear goals for coordination efforts, and define state and local roles in ways that benefit all parties.*

According to nearly everyone who was interviewed for this study, leaders at all levels should be committed to working together to develop programs and services that are flexible enough to meet employer needs quickly and effectively. According to the representatives interviewed, services should “work at the speed of business” and be negotiated and delivered quickly with a minimum of “red tape.”

In several states, governors are providing the leadership and vision needed to engage community colleges in meeting employers' needs effectively and efficiently. According to the Michigan Labor and Economic Growth Web site, the governor of **Michigan** created the Council of Labor and Economic Growth (CLEG) in 2004 to replace the state's Workforce Investment Board. CLEG is the primary agency responsible for bringing together a variety of organizations, including community colleges, to support improved workforce and economic development. The council's members include leaders from business and labor, community colleges, universities, local workforce boards, and other stakeholders. The Council is charged with working closely with the Michigan Economic Development Corporation's Board of Directors and the governor's Council of Economic Advisors to coordinate state activities, including the activities of community colleges, around the state's economic development goals.

The governor of **North Carolina** has created a similar Economic Development Council, which brings together representatives from the Departments of State, and other state departments dedicated to economic development, workforce development, and education, including the state agency responsible for governing community colleges. In **Washington**, the governor created the Competitiveness Council to improve collaboration among state agencies around economic development issues.

Other state-level organizations have also played critical leadership roles that foster increased community college involvement in state economic development activities. For example, in **Iowa**, the state's Economic Development Department plays a strong leadership and coordinating role. The agency administers all statewide workforce training programs that involve community colleges. The colleges are involved in decisions regarding these programs. In addition, community college staff play an active role on all relevant boards and coordinating councils, such as the Iowa Careers Consortium, which involves community colleges in statewide planning efforts designed to recruit highly skilled workers to the state.

Community college presidents in **Iowa** also collaborated voluntarily to create the One Source Program, which is referenced earlier in this report and which provides coordinated community college training services to the state's employers. In addition, **Washington's** Workforce Investment Board hosts regional "skills summits" as a way of keeping all of the state's workforce and

economic development activities focused on the same goals. The skills summits bring representatives from education, economic development, workforce development, and industry to discuss coordinated approaches to the emerging skill needs of targeted industries.

In addition to formal collaboration activities, state departments have fostered informal cooperation among state-level agencies engaged in economic and workforce development. For example, staff within **Washington's** State Board for Community and Technical Colleges fosters better collaboration with their colleagues from the Department of Commerce, Trade, and Economic Development (CTED) by hosting informal weekly meetings. At these gatherings, which involve sharing an informal coffee break, staff discuss current projects and look for opportunities for community colleges to better support CTED's goals and target industries.

Ideally, state-level interagency collaboration is characterized by *highly coordinated joint ventures involving community colleges* that are designed to provide flexible approaches to meeting the needs of employers, especially in targeted industry areas. For example, **North Carolina** and **Pennsylvania** use teams consisting of representatives from the Governor's office, the Department of Commerce, and the state's community college system to meet with employers who are considering moving to or expanding their businesses within the state. Together, these groups construct an incentive package for employers that uses community colleges as a centerpiece for providing training,

research and development incubator facilities, and other resources.

To make coordination efforts work, a large number of interviewees emphasized that it is important to focus efforts on projects that offer benefits for all stakeholders. States that are experiencing the most success coordinating the activities of community colleges around economic development goals emphasize that their states have spent considerable time and effort discussing the roles of state and local actors and defining project goals. In most states profiled, including several that have a state-level department overseeing community colleges, officials agreed that community colleges were largely independently run. Strong buy-in from community college presidents was necessary to implement coordination efforts effectively. Since “turf battles” are inevitable, these states realized that it is important to set goals and define responsibilities in ways that minimize competition between state officials or organizers, as well as among local colleges, while maximizing the benefits for all stakeholders.

For example, according to a local community college president, **Iowa** has also been successful in deploying its community colleges to support statewide economic development goals because “decisions are locally driven and employers don’t have to wait for state bureaucracy to make decisions. This equals quick service.” Programs like Iowa’s One Source program, which is run by the state’s consortium of community college presidents and which offers one stop shopping for employers seeking customized

training, provide a benefit to the state by serving as a tool to attract employers.

Often, interviewees in states that had successful collaboration efforts reported that the state-level organization in charge of community colleges (either a state agency, or a voluntary association of college presidents) acts as the public advocate for the state’s community colleges. The organization is in charge of marketing the collective benefits of the state’s community college system to employers. They are also expected to lobby the legislature for needed funding for community colleges. In addition, they are responsible for coordinating with other state-level stakeholders to ensure that community college activities, in the aggregate, are well coordinated with the state’s economic and workforce development goals. Finally, they use their state-level perspective to identify potential opportunities for building local or regional community college capacities in support of statewide and/or regional economic development goals.

Local community colleges in the states profiled are generally responsible for communicating their needs and local economic trends to state representatives. When necessary and practical, they also work with neighboring institutions to meet the demands of the region’s employers.

For example, **North Carolina’s** Economic Development Council establishes statewide priorities and identifies potential partnership opportunities involving businesses and community colleges. However, local colleges feed input about local needs and potential local or regional

partnerships to the state level, exercise considerable independence in implementing funded projects, and realize other benefits, from better facilities and equipment to increased enrollments. Similarly, under the Job Ready PA initiative, **Pennsylvania** funds an array of programs with clear goals and missions and flexible implementation guidelines that allow local areas to apply resources where they are needed most.

2. Successful states identify key industry clusters in the state and develop plans to support the economic growth of these clusters.

Every state included in this study has conducted or is in the process of conducting foundational research to identify the key “industry clusters,” or networks of inter-related businesses in a geographic area, that are important to the state economy. Once identified, these clusters go on to form the basis for economic and workforce development strategy in the states profiled.

For example, in 1999, the **Iowa** Department of Economic Development commissioned a study by Stanford Research Institute to identify groups of interrelated businesses known as industry clusters that offered high wages, had a potential for growth, and were well matched to Iowa’s competitive advantages. This study identified regional concentrations of key industry clusters and has formed the basis for Iowa’s economic development strategy, including workforce development training programs delivered by community colleges.

Similarly, **Washington**’s governor-appointed Competitiveness Council carried

out a statewide industry study in 2001 that identified regional concentrations of industries and related businesses. Following the study, the state legislature passed a law requiring that the state pursue a regional, cluster-based approach to economic development. In Illinois, the state’s cluster study identified 10 unique economic regions in the state, upon which the state’s comprehensive economic development strategy is based.

Regional approaches to statewide economic development have particular implications for community colleges. Often, it means that community colleges in different areas of the state use state programs to develop training solutions that are responsive to the industries concentrated in their region of the state.

In addition, community colleges must often collaborate on projects in order to meet the needs of the region’s employers when states take a regional approach to economic development. To facilitate this process, **North Carolina** has established a system of regional coordinators to facilitate and help manage collaboration among community colleges in the seven economic regions that make up the state. **Michigan** has dealt with this issue by creating 16 Regional Skills Alliances. Cited by the National Governors Association’s Center for Best Practices in 2004, these alliances are employer-led and regionally based. Supported with state funding, they involve community colleges and other stakeholders in identifying and solving local workforce challenges that support statewide economic development. Each alliance is focused on the issues facing a group of interrelated

businesses, known as industry clusters, that are important in particular regions of the state. Current alliances are working on customized solutions for filling job openings in healthcare, manufacturing, construction, and nanotechnology industries.

In other states reviewed, regional collaborations tended to form as a result of voluntary engagement among community colleges. Officials reported that colleges tend to work together, as well as with other educational institutions, on a project-by-project basis. These collaboration efforts are often driven by common goals, such as the desire of both schools to increase enrollments, as well as by financial necessity and a shared commitment to support a particular industry. As one community college representative in Iowa stated, “One community college cannot be all things to all people and still do everything well, so regional partnerships make them more effective.”

For example, several community colleges in **North Carolina** and **South Carolina** have formed a consortium to support the region’s high-tech industrial base in the Charlotte area, and to jointly apply for state and federal grants. In western South Carolina, five local community colleges have come together to develop and share curricula that support the area’s advanced manufacturing businesses, which include a large BMW plant and its varied suppliers.

According to officials, state incentives, provided in various forms through the network of programs and initiatives discussed in the previous section, are important to starting and continuing

collaborative efforts. According to those who were interviewed, this is especially true if state officials wish to ensure that community college efforts are aligned with the economic development priorities of state officials. Since employers are integrally involved in planning and carrying out regional projects, officials in many states reported that employers often provide large contributions of money and/or equipment to help support collaborative efforts. In addition, many recent federal grants require community colleges to work together with other stakeholders in their region to address employer skill needs.

3. Successful states create stable funding for community colleges to support state economic and workforce development priorities.

Officials were nearly unanimous regarding the need for community colleges to have access to stable funding sources to implement programs and services that benefit employers and support state economic development goals. Officials at community colleges in several states complained that a lack of stable funding for high employer demand programs is a barrier to their growth. For example, representatives from **Illinois** reported that the state appropriation of Workforce Investment Act funds to community colleges was cut in half from one year to the next. This had a drastic impact on the level and quality of programming that the community colleges could provide and disrupted existing partnerships and programs.

According to many of those who were interviewed, a lack of funding constrains

community colleges that wish to implement more expensive, high demand programs, such as nursing and information technology. Flat reimbursement rates in many states also make it difficult for community colleges to recruit qualified faculty, who can make more in the private sector.

Some states have responded to the lack of stable funding by changing the base funding formula for community colleges. For example, as part of the governor's Job Ready PA initiative, **Pennsylvania** increased the proportion of state funding provided to community colleges. The initiative dedicates an additional \$23 million (an investment of nearly \$1 million per school) in general operating and capital support to allow community colleges to better align their institutions with state economic development priorities. This legislation ensured that the needed funding, along with guidelines and programs targeted to support key industries in the state, would be in place for at least the next 10 years.

Also under the Job Ready PA initiative, the **Pennsylvania** state legislature dedicated \$5 million to strengthen already successful partnerships between community colleges and industries, such as those developed around food processing and powdered metals production. Finally, \$40 million has been earmarked to address the workforce needs of the state's healthcare industry, a significant portion of which is likely to support a range of community college activities.

Several states have established one or several categorical funds within the state budget to provide a stable source of funds

for certain economic development activities at community colleges. **Iowa, Mississippi, Washington, and North Carolina** have all established funds similar in purpose and function to New Jersey's Workforce Development Partnership Fund. These funds, which are supported by diversions from employer payroll taxes, often support customized training activities, as well as other projects, implemented at community colleges. In **North Carolina**, these funds are allowed to accrue from year to year, allowing more flexibility in meeting employer needs.

Iowa has created perhaps the most original means for giving community colleges some control over the amount of funding they receive to support customized training. Community colleges are permitted to sell bonds to employers that they can repay through employer payroll taxes over a 10-year period. The taxes are diverted directly to community colleges to repay the bonds.

IV. Conclusions

Community colleges have long played a role in local economic development. However, to maximize the impact that community colleges can have on state economic development efforts, policymakers in other states have taken steps to coordinate their workforce-related activities, build system-wide capacities, and effectively market these capabilities to a variety of stakeholders, including the state's potential, new, and existing employers.

The states profiled in this study are using similar programs and a common set of strategies to deploy community colleges to provide unique and important contributions to each state's economic development goals. State governments, and in some cases independent statewide community college boards, have created programs involving community colleges that raise the skill levels of all workers, provide training and other benefits to particular firms, and offer broad-based support to entire industries, groups of related businesses, or occupations.

Approaches that states have used to coordinate the deployment of community colleges in support of state economic development goals include building a strong coalition of support at the state and local levels for community college involvement in statewide economic development strategies and improving coordination among community colleges, state agencies, non-profit economic development corporations, and other stakeholders to ensure goals are well coordinated and to plan joint activities. These states have defined the roles of state

and local actors in coordination efforts well and they are careful to focus on projects and programs that minimize "turf battles" and increase the benefits for all stakeholders. Though few states have fully addressed the issue, nearly all of those who were interviewed for this study also cited the need for state governments to provide stable sources of funding to support workforce and economic development activities at community colleges.

To remain competitive, New Jersey should follow the lead of successful states by:

- Supporting and defining a more essential role for community colleges in its plan to support, attract, and retain key industry employers;
- Creating or enhancing programs that allow local and regional areas to create unique, customized solutions that support key state industries in ways that benefit all stakeholders; and
- Implementing strategies that have proven successful in other states.

V. Appendix: Individual State Profiles

This appendix contains an overview of the programs and initiatives that states selected for this study highlighted as important to their efforts to engage community colleges to support state economic development priorities. Each profile contains a brief overview of the governance structure for community colleges in the state, as well as information about the programs and funding strategies state officials and Web sites highlighted as being important to state economic development efforts. Profiles also provide a list of resources that were consulted to obtain this information, as well as a list of officials who were interviewed for the study. Interviews were conducted in the following six states: Illinois, Iowa, North Carolina, Pennsylvania, South Carolina, and Washington.

For programs where data was readily available on program Websites or through interviews with state officials, the profiles also provide data regarding program services and outcomes, as well as specific dollar amounts of funding for key programs and initiatives. Where dollar amounts are provided, researchers provide not only the total amount of the investment, but also express these figures in terms of the investment “per worker” by dividing the funding amount by the total number of labor force participants in the state, as noted in the United States Census conducted in 2000. This standardized figure allows readers to compare similar program investments across states.

FLORIDA

Background

Florida has 28 locally governed community colleges. State-level oversight is provided by the Division of Community Colleges and Workforce Education at the Florida Board of Education.

Workforce Florida, Inc., the state's Workforce Investment Board, was organized to ensure that economic development, workforce development, and business partners were working together effectively. Workforce Florida, Inc. manages the state's customized training programs and ensures that training projects are aligned with statewide workforce development goals. While the board does not directly supervise community colleges, it oversees their activities with regard to the administration and management of customized training grants.

In 1996, Florida replaced the state's Department of Commerce with a public-private partnership, Enterprise Florida, Inc. The partnership is responsible for developing and carrying out statewide economic development efforts. Based on the results of an industry cluster study, Enterprise Florida, Inc. has targeted the following clusters for growth and development:

- life sciences (including biotechnology, medical device manufacturing, pharmaceuticals, healthcare);

- information technology (including information technology products/services, software development, modeling/simulation/training, photonics/lasers/optics, microelectronics, telecommunications);
- aviation/aerospace;
- homeland security/defense;
- financial/professional services; and
- manufacturing.

Statewide Economic and Workforce Programs Involving Community Colleges that were Highlighted by State Web sites

Programs Designed to Promote General Workforce Development

The Florida Department of Education has established **Program Frameworks** for adult education and workforce education. Program Frameworks provides a minimal set of standards to be used by all institutions delivering adult and/or workforce education, including community colleges. State-required frameworks provide consistency, accountability, and programmatic quality that the state's employers can rely on when accessing community colleges and other state educational institutions for training. Program Frameworks incorporates, where appropriate, national industry skills standards, as well as standards outlined by the Secretary's Commission for Achieving Necessary Skills. In addition, the frameworks correlate standards to the achievement levels of the Sunshine State Standards of the Florida System of School Improvement and Accountability.

Programs Designed to Assist Individual Firms

The **Quick Response Training program (QRT)** was created in 1993 and provides a single point of entry for new or expanding businesses that create new, high-quality jobs in Florida to access customized training for their workers. State-level QRT staff provide technical assistance to employers from the application process through the contracting phase. These staff also refer the employer to a local community college, area technical center, or university, which acts as a local fiscal agent for a QRT project and may help to develop or deliver the training program. If the business has its own training program, the college or other local provider will supervise the program and act as the fiscal agent for the grant funds. The fiscal agent monitors the training programs, collects and maintains monthly reports, and administers the grant funds.

The Workforce Florida Web site reports that the QRT programs have provided customized training for more than 85,000 employees at over 300 businesses in industries throughout the state.

The **Incumbent Workers Training (IWT) program** was established as part of the state's Workforce Innovations Act of 2000 and provides grant funding for customized training for existing for-profit businesses in Florida. The training must provide existing workers with training in new or upgraded skills. The business may use public, private, or its own in-house training provider to deliver the training. Regardless of training provider, a public

institution, such as a community college, acts as the fiscal agent for the grant funds.

According to the program's annual report, 11% of companies with IWT programs utilized public institutions, including community colleges, and 26% used a combination of public and private providers, employees, video, computer, or Internet-based training.

The Workforce Florida Web site states that IWT has provided customized training for over 50,000 employees in more than 500 companies across the state. The annual report stated that 24 businesses (23%) that received IWT grants used the training as part of a strategy to avoid layoffs.

According to customer satisfaction surveys conducted in fiscal year 2003-2004, no employers rated any aspect of the IWT as "poor." In all areas rated — from the grant application process, to staff responsiveness, to the reporting and reimbursement processes — the program received from 63% to 98% of responses in the "good" to "excellent" rating categories. The Florida Education and Training Placement Information Program is currently collecting data on the long-term outcomes of IWT training projects.

Funding: The Quick Response Training program is currently funded at \$6 million per year, an investment equal to 80 cents per worker in the state. The Incumbent Worker Training program receives an annual allocation of \$2 million, an investment of 27 cents per worker. Both programs are supported through allocations from the state's general fund. Policymakers use the

state's 15% discretionary portion of its federal Workforce Investment Act allocation to support the programs. Funds are allocated by the Workforce Florida Board of Directors annually through three policy councils to implement training initiatives. All funding is provided to grantees in the form of a performance-based, reimbursable grant. Employer grantees pay for pre-approved, direct training-related costs which are then reimbursed by the state upon submission and approval of required documentation. Reimbursable expenses include instructors' salaries/tuition, curriculum development, and textbooks or manuals. Overhead or indirect costs may not exceed 5% of the grant and may be used to cover the expenses of the public educational institution (often a community college) that acts as the fiscal agent for the training program.

Training and Services Designed to Provide Broad-Based Support to Entire Industries, Groups of Interrelated Businesses, or Occupations

In 2005, the Florida legislature created the **SUCCEED Florida Grant program**. The program awards competitive grants to public and private high schools and post-secondary institutions, including community colleges, to support new or expanding programs in nursing education and teacher certification, as well as to develop career academies.

Funding: The legislature allocated \$21 million in non-recurring state general appropriations to fund the SUCCEED Florida Grant program. This represents an investment of \$2.80 per worker in the state.

The **Jobs for Florida's Future** program funds the development of new or expanding programs at community colleges that address high-demand sectors and occupations targeted by the state for development. It is an integral part of the Florida Chamber of Commerce's 2005 business agenda. Jobs for Florida's Future supports programs at community colleges that train workers for occupations that range from nursing, to network administration, to homeland security.

According to the Request for Proposals for this program, the funds awarded can be used to purchase equipment, supplies, personnel, student services, or other expenses encountered during program creation or expansion.

Funding: The legislature allocated \$10 million in non-recurring state general appropriations to fund Jobs for Florida's Future. This equals an investment of \$1.30 per worker in the state. All of these funds were awarded to community colleges.

The Quick Response Training and Incumbent Worker Training programs, each of which offers training to individual firms, are also designed to support the broader needs of industries that the state has targeted for economic development. Both programs give priority to grantees in targeted sectors. According to IWT's annual report, in fiscal year 2003-2004, 100% of the IWT grant awards, many of which were managed and/or implemented by community colleges, represented state-targeted sectors including manufacturing (67%); administrative support services, finance, and insurance companies (11%); information industries

(5%); wholesale trade (6%); and professional, scientific, technical, and management services (11%).

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www.workforceflorida.com

Resources

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GEORGIA

Background

Georgia has 34 technical colleges and 13 public two-year colleges. The technical colleges are charged with serving the training needs of the state's employers, while the two-year colleges are focused on preparing students to enter four-year schools. The state's technical colleges are governed by the State Board of Technical and Adult Education.

Georgia's 34 technical colleges and other public institutions of higher education are designated as the sole providers of state-funded workforce training.

Through the Office of Economic Development Programs, the Georgia Department of Technical and Adult Education provides several programs involving community colleges to support state economic development goals and help businesses with their training needs.

In 1986, Georgia instituted a certification program for **Certified Economic Developer Trainers**. This program, overseen by DTAE, was designed for employees of state government and the technical colleges who are involved with workforce training for state economic development goals. The CEDT program, an 18-month program for economic development professionals in technical colleges or at the state level, awarded certification to 15 DTAE staff members in 2004.

According to the Georgia Department of Economic Development, the state's targeted growth industries include:

- aerospace;
- agribusiness;
- automotive;
- energy and environment;
- financial services;
- global trade;
- life sciences;
- logistics and transportation;
- multimedia;
- software;
- telecommunications;
- tourism; and
- venture capital.

Statewide Economic and Workforce Programs Involving Community Colleges that were Highlighted by State Web sites

Programs to Enhance the Skills of the State's Entire Workforce

State Web sites did not highlight specific efforts to enhance general workforce development in the state.

Programs to Meet the Training Needs of Individual Companies

Quick Start is Georgia's customized training initiative. Through Quick Start, the Department of Technical and Adult Education (DTAE) provides a single point of entry for employers to access worker training. The program connects new or existing businesses with training needs to one of 34 technical colleges or 4 associated

university systems. The program works by assigning a Certified Economic Developer Trainer (CEDT) from one of the technical colleges to the business seeking training assistance. This CEDT is the personal contact for the business involved in the Quick Start program. The CEDT manages the training project, including supervising the training activities.

According to DTAE's 2004 annual report, Quick Start completed 310 projects and trained 42,566 people in 2004. Georgia's technical colleges provided 1,358,724 hours of training for 85,431 trainees in 7,494 courses across all of their customized training programs for existing businesses in 2004.

To assure that Georgia employers are receiving the exact training that they need, DTAE also offers **Maintenance Skills Assessment and Training** programs. These programs help companies improve employee skills in the areas of mechanical and electrical maintenance. Through this program, the company works with the local technical college and an assessment team to determine exactly what training each employee needs. The assessment is then utilized by the company and the technical college to create training objectives and a program that addresses the company's needs.

Funding: Customized training offered through the above two programs are fee-based and are paid for by employers. To offset training costs, Georgia offers the Retraining Tax Credit to existing Georgia industries to foster profitability and competitiveness. Other tax credits are also

available under the Georgia Business Expansion Support Act, which can be used for retraining, among other things, to help businesses expand.

Programs or Initiatives to Develop a Trained Workforce for Key Sectors of the State Economy

The Georgia Department of Technical and Adult Education also offers **Certified Specialist Programs**, designed by experts in the field, that are offered at state technical colleges. These programs are designed to help employers in industries targeted by the state for economic development to find consistent, high-quality workforce training based on nationally recognized skills standards. For example, the Certified Construction Specialist program was designed in collaboration with the Construction Education Foundation/Alliance of Georgia and the National Center for Construction Education and Research. Certifications currently offered by DTAE include Certified Customer Service Specialist (CCSS), Certified Manufacturing Specialist (CMS), Certified Construction Worker (CCW), Certified Warehousing and Distribution Specialist (CWDS), and Information Technology Plus (IT+). Some employers offer premiums if a worker becomes certified and others guarantee interviews to applicants with certifications.

According to the program's annual report:

The CCSS program has certified 7,334 people, with 1,196 being certified in FY03. In FY03, the CMS program certified 706 people, for a total of 5,765

certified people. Both the CMS and CCSS programs have been used in high schools throughout Georgia. In FY03, 164 high school students received CMS certification. To date, 676 high school students in Georgia have received CMS certification. The CCSS program has reached a total of 2,367 high school students, with 672 students receiving certification in FY03. CMS Academies are located in Columbus, Savannah, and Americus. CCW programs have certified 745 people, with 209 being certified in FY03.

DTAE also maintains five **Service Industry Academies**, which partner a job placement component with the Certified Customer Service Specialist program at a community college. The academies provide specialized training and certification in communications, customer service, computers, and essential business skills. Upon completion of the program, participants become a Certified Customer Service Specialist and are guaranteed an interview with one of the participating companies.

Funding: Students attending Certified Specialist programs and Service Academies may qualify for HOPE education tax credits to help pay for the cost of program tuition.

Resources

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ILLINOIS

Background

In Illinois, 39 community college districts house a total of 49 community colleges. The Illinois Board of Higher Education retains ultimate governing and budgetary authority over the colleges. However, the Illinois Community College Coordinating Board, an 11-member panel appointed by the governor, provides day-to-day management and oversight of major community college activities and funding. This Board is also charged with coordinating community college activities at the state level. The Board represents the state's community colleges in state-level partnerships with employers, the state Workforce Investment Board, economic development agencies, and other organizations in order to better understand and disseminate information about state economic development goals. At the local level, individual colleges maintain independent local boards.

The Department of Commerce and Economic Opportunity (DCEO) manages all workforce development programs in order to improve links between statewide workforce and economic development activities. DCEO's mission is to streamline programs to meet employers' workforce needs, while ensuring that those served by the state's workforce development system have access to good jobs.

As part of the governor's comprehensive, regional economic development plan, Opportunity Returns, which is administered

by DCEO, Illinois has targeted the following key industries for economic development:

- technology;
- transportation;
- manufacturing; and
- agriculture.

Based on the results of an industry cluster study that identified areas of business concentration in the state, Opportunity Returns is also focused on developing industry clusters that are important to particular regions of the state. In 2003, in consultation with local areas and a variety of state agencies, Governor Blagojevich designated 10 geographic areas in the state as Economic Development Regions (EDRs). Defined by similarities in economic and labor market conditions, the EDRs form the geographic basis for planning most of the state's economic development programs.

Statewide Economic and Workforce Programs Involving Community Colleges that were Highlighted by State Officials and State Web sites

Programs to Enhance the Skills of the State's Entire Workforce

While those who were interviewed did not discuss any unique programs that support statewide goals to improve general workforce development, staff did point out that Illinois community colleges are committed to using a range of training delivery approaches, from *distance learning* to *courses that integrate adult basic education and customized training*, in order to meet the needs of the state's employers more effectively and efficiently.

Programs to Meet the Training Needs of Individual Companies

Through the **Employer Training Investment Program (ETIP)**, individual companies can apply to develop customized training programs for employees. For customized training projects involving multiple companies, intermediaries such as community colleges may apply for and administer a grant on behalf of a consortium of business and other stakeholder partners. Community colleges are often the training providers for ETIP grants, but companies may choose other eligible training vendors that fit their needs.

Funding: The governor recommended spending a total of \$17.5 million in 2006 on this state-funded program. If approved, this would represent an investment of \$2.80 per worker in the state. ETIP reimburses companies for up to 50% of approved training costs. The actual amount reimbursed is determined by the Department of Commerce and Economic Opportunity and depends upon several factors, including the wage level of the trained employees and capital investment in the project. Typically, DCEO approves a reimbursement range of \$250 to \$650 per employee trained.

Training and Services Designed to Provide Broad-Based Support to Entire Industries, Groups of Interrelated Businesses, or Occupations

The **Critical Skills Shortage Initiative (CSSI)**, which is an integral part of Opportunity Returns, is designed to develop a skilled workforce for demand occupations

and industries. The initiative allows DCEO to issue planning grants that fund research in 10 economic development regions around the state. Research is designed to identify occupations and industries (or groups of interrelated businesses known as industry clusters) currently experiencing skills shortages. This research, which is often conducted by, or in partnership with, local community colleges, must also analyze the root causes of these shortages and identify training solutions.

The CSSI also provides competitive incentive grants to local areas that allow them to support solutions to the skills shortage issues. Incentive funding, which usually comes in the form of a training grant, can be used to support new initiatives and programs that are not currently supported by existing sources. Funded projects may include new training models or programs that focus on secondary school education and counseling, dual enrollment programs that allow students to earn credits from a community college, customized training programs, non-traditional worker training programs, incumbent worker skills upgrading, as well as other creative solutions.

All CSSI grants are applied for through regional consortia that are led by the local Workforce Investment Board chair(s) and generally include community colleges as integral partners. While community colleges may not be the sole beneficiaries of the grant funds, they often receive substantial awards to carry out research and planning activities and to implement unique, customized training solutions.

Funding: The Department of Commerce and Economic Opportunity uses the 15% of federal Workforce Investment Act funding designated to pay for state administrative costs to underwrite planning costs and provide incentives to regional consortia partners to participate in the Critical Skills Shortage Initiative. In 2003, \$3 million was available to fund planning and research efforts under the initiative. During the first year of the project, a total of \$10 million was made available to fund skills shortage solutions, while \$5 million was designated to fund project renewals in the second year of the initiative. The total funding amount of \$18 million represents an investment of \$2.90 per worker in the state.

Business and Industry Centers are in place on each community college campus. These 49 centers make up the **Business Solutions Network** of the Illinois Community College Board and, according to staff interviewed for this study, represent an important vehicle for allowing community colleges to contribute to statewide economic development. The centers perform contract training for local businesses, work with local chambers and other economic development units, and provide training to entrepreneurs and small businesses. Each center has dedicated staff to focus on business solutions.

Funding: The centers are funded by Workforce Investment Act monies that flow through the Illinois Community College Board, as well as by the local community colleges themselves. There have been large cuts in recent years in the Workforce Investment Act funds from the Illinois Community College Board (from \$6 million

in 2003 to \$3.3 million in 2004) to run the Industry and Business Centers. However, funds from fee-based services (i.e. customized training) have grown at many of the colleges. The current state funding represents an investment of 53 cents per worker in the state, down from the previous level, which equated to approximately 97 cents per worker.

According to staff, all community colleges in Illinois use **national industry skills standards** whenever possible to ensure that the quality of training is consistent across the state and supportive of industry needs.

Select Advice Offered by Officials for Successfully Deploying Community Colleges in Support of State Economic Development Goals

Officials in Illinois offered the following words of advice to policymakers in New Jersey to help them plan effective mechanisms for engaging community colleges to support the state's plans for economic development:

- “[Ensure] that community colleges are in tune with local and state economic development goals and vice versa. Community colleges and economic development corporations can have a stronger impact if they are both working towards the same goals and supporting the same target industries in the region.” (Boseman, Lake County Partners Economic Development Corporation)

- “[Illinois’] programs are effective because the people at the local community colleges work closely with local businesses. These people/programs are locally based, not administered by some far off central agency. This provides for one-on-one communication between the community college staff and the businesses. These relationships are most important in creating effective programs responsive to employer needs. I believe the Illinois system is efficient and effective because community colleges are local and autonomous but the ICCB is an overarching, statewide, governing institution that represents and advocates for local community colleges. This represents a true “system.” This mixture of autonomy and coordination is important for success and equals local control but statewide ability to meet demand.” (Morgan, Illinois Community College Board)
- “Even though Illinois community colleges are separated into districts, [The Illinois Community College Board (ICCB)] helps to make sure businesses don’t get caught up in regional disputes between community colleges. ICCB also helps to ensure consistent quality of programs for employers across the state.” (Haney, College of Lake County)
- “Focus on the business customer. Act regionally to address business needs. One community college cannot be all things to all people and still do everything well, so regional partnerships make them more effective. You also need statewide policies to promote such regional partnerships.” (Sheets, Illinois

Department of Commerce and Economic Opportunity)

- “It is important to define a clear mission and clear measurements of success that give equal weight to meeting business and industry needs as to college transfer rates.” (Sheets, Illinois Department of Commerce and Economic Opportunity)
- “The strength of Critical Skills Shortage Initiative has been in the identification and creation of data to support the need to develop [training solutions for] these skills shortage occupations.” (Haney, College of Lake County)

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Interviews

Preston Morgan
Senior Director for Workforce Development
Illinois Community College Board

Bob Sheets
Policy Advisor, Workforce Development
Illinois Department of Commerce and
Economic Opportunity

Tracy Hyatt Bosman
Vice Dean, Operations and Policy
Lake County Partners

Richard Haney
Dean, Business and Industry Services
[Community] College of Lake County

IOWA

Background

Iowa has 15 community college districts encompassing 19 separate colleges. These institutions are governed at the state level by the Iowa Board of Education's Bureau of Community Colleges and Workforce Preparation. At the local level, Iowa's community colleges are governed by elected boards of trustees who are empowered with strong local control over the operation of the colleges.

Iowa's 15 community colleges are the sole providers of state-funded workforce training. According to a fact sheet about Iowa Community College Job Training Programs, "[Iowa's community colleges] have become the core of Iowa's workforce development delivery system."

The Iowa Department of Economic Development oversees the management and administration of the state's workforce development training programs. The Department plays a strong leadership and coordinating role in Iowa. The agency administers all statewide workforce training programs that involve community colleges. The colleges are involved in decisions regarding these programs. In addition, community college personnel play an active role on all relevant boards and coordinating councils.

In 1999, the Iowa Department of Economic Development (IDED) commissioned a study by Stanford Research Institute to identify groups of interrelated

businesses known as industry clusters that offered high wages, had a potential for growth, and were well matched to Iowa's competitive advantages. This study identified regional concentrations of key industry clusters and has formed the basis for Iowa's economic development strategy, including workforce development training programs delivered by community colleges. Industry clusters identified in the study that the IDED has targeted for growth include:

- advanced manufacturing;
- biosciences; and
- information solutions.

Statewide Economic and Workforce Programs Involving Community Colleges that were Highlighted by State Officials and State Web sites

Programs to Enhance the Skills of the State's Entire Workforce

While interviewees did not mention specific statewide programs, they stressed that Iowa's community colleges offer numerous career and technical education programs for credit to students that are considered important to supporting general workforce development throughout the state.

Individuals interviewed for this study felt that the state's pioneering use of distance learning was an important aspect of the state's economic development strategy. In 1980, the state put the **Iowa Communications Network** into place. Students can take community college courses through this statewide distance learning network.

Programs to Meet the Training Needs of Individual Companies

The Iowa Industrial New Jobs Training Program, also known as 260E after the section of Iowa code that created it, was established in 1983. It provides support for training for new jobs to businesses that are new to Iowa or to existing businesses that are expanding their workforce.

According to the program's fact sheet, since 1983 and through last year, Iowa's community colleges have issued \$466 million in bonds through 1,800 training agreements, helping to support the pledged creation of 126,341 new jobs in Iowa. The average salary per newly created job in the Kirkwood Service area for projects finalized in 2002 was \$39,850.

Funding: Specific information regarding the funding level for this particular program was not available. However, the Iowa Industrial New Jobs Training Program falls under the purview of the state's **Workforce Training and Economic Development Fund (WTED)**. This fund is supported through a pre-general fund diversion of employee state income tax withholdings. The WTED fund allows \$10 million per year to be contributed through such diversions. In addition, the Grow Iowa Values Fund Project, discussed in detail later in this document, added an additional \$7 million per year for the next 10 years to the fund. While the total balance of the WTED fund was not available, the \$10 million in allowable diversions for 2004, plus the additional \$7 million added in this same year, represent a combined investment of \$12.15 per worker in the state for 2004.

While there is a \$10 million cap on the diversions to the Workforce Development Fund each year, the Iowa New Jobs Training Program authorizes Iowa's community colleges to issue training certificates (bonds) to pay for the costs of training projects. The amount of funding available for projects depends on employer training needs and the expected revenue available to repay the certificates. According to the Eastern Iowa Community College District Web site, community colleges have used this method to fund projects ranging from \$15,000 to \$4 million. The legislature did not impose a limit on the amount of new bonds that can be issued each year.

The bonds are repaid using a diversion of a percentage of the increased payroll withholding tax revenues that result from the development of the new jobs, as well as increased property tax revenues that may result from capital improvements. Employers pay principal and interest on the bonds over a 10-year period by diverting half, or in some cases all, of the state income withholding tax for the new employees wages to the community college instead of the state.

According to the fact sheet on Iowa's job training programs, the Iowa Industrial New Jobs Training Program currently has a revenue neutral impact on the state budget because the colleges are retiring bonds at a rate equal to the issuance of new bonds. When the bonds are retired, the state withholding is released into the general fund.

The **Iowa Jobs Training Program** was established in 1989 to provide support for

retraining of incumbent workers at eligible Iowa employers. The program provides forgivable loans to employers to purchase training for incumbent workers at a local community college. However, community colleges must apply for and administer the grant funds. According to the program fact sheet, more than 89,000 Iowa workers in 650 companies have participated in more than 1,000 training projects since the inception of the program.

Funding: This program is also funded by the Iowa Workforce Training and Economic Development Fund. According to staff interviewed, the Iowa Jobs Training program has a funding cap of \$4 million per year. This is equivalent to an investment of \$2.50 per worker in the state. Businesses must contribute at least 25% for projects exceeding \$5,000.

Programs or Initiatives to Develop a Trained Workforce for Key Sectors of the State Economy

Iowa Job Training Program-Business Networks Program makes forgivable loans available to five or more businesses located in two or more community college districts to address common workforce training needs. A community college must apply for these funds on behalf of the businesses and several colleges often work together to meet the employers' training needs.

Funding: The Iowa Job Training Program-Business Networks Program is funded through the Workforce Training and Economic Development Fund. Specific information about the funding amount for

this particular program was not readily available.

The **Training and Retraining for Targeted Industries Program** provides funding to community colleges to allow them to create training that will develop the skills of workers in industries targeted by the state's economic development agency, including sectors ranging from value-added agricultural products to financial services, from drugs and pharmaceuticals to recycling and others. Training can be provided to industries outside of those targeted by the state, but applicants must demonstrate how the industry diversifies, strengthens, or otherwise improves the state's economy.

Funding: The Training and Retraining for Targeted Industries Program is funded through the Workforce Training and Economic Development Fund. Specific information about the funding amount for this particular program was not readily available.

The **Innovative Skills Development Program** was created to allow community colleges to develop and offer creative training programs designed to enhance the skills of Iowa employees. Projects must focus on developing workers' technology skills and/or skills needed in new or emerging industries in the state.

Funding: The program is funded through the Workforce Training and Economic Development Fund. Specific information about the funding amount for this particular program was not readily available.

Career Academies have been established at high schools throughout Iowa's 15 regions to help students prepare for high-tech careers in targeted industries. The programs allow students to earn college credits from a local community college. While the academies are primarily developed and managed at the regional level and focus on key industries important to regional economies, the state is currently developing plans to better manage the program at the statewide level to ensure adherence to statewide economic development goals.

Funding: Funding for community college participation in career academies is provided through full-time equivalent reimbursements from the state's general fund formula funding allotment to community colleges.

The Accelerated Career Education Program (ACE), or 260G, was established in 1999 to provide funding support to community colleges to create or expand degree programs that train individuals for high-wage, high-tech jobs in key industries identified by the state. The goal of ACE is to recruit, develop, and retain high-skilled, high-wage jobs in Iowa by creating the kind of skilled workforce that high-tech employers seek.

For example, Kirkwood Community College's ACE programs offer focused instruction in such areas as Engineering Technology, Local Area Network Management, Health Sciences, and Automotive Technology. These courses are designed to coincide with the industries on which the region's high school career

academies are focused. Those students graduating from a related high school career academy will have received up to a semester of college credit or more toward one of the Kirkwood ACE programs. As a result, they can finish their ACE program degree more quickly. ACE programs at other community colleges are similarly aligned with the priorities of regional career academies, which are currently becoming better aligned with statewide economic development goals.

Funding: ACE programs are funded by the state's Workforce Training and Economic Development Fund, employer match, and student tuition. Employers are allowed to divert a portion of their employee state income tax withholding to a college to support an ACE program. State grants are available to qualifying students to cover tuition and other training-related expenses. State funds have also been available to assist in the construction of new facilities to support ACE programs. The ACE program has a \$6 million per year funding cap, which is roughly equivalent to an investment of \$3.75 per worker in the state.

Recently, the Iowa legislature signed a comprehensive economic development initiative into law called the **Grow Iowa's Values Fund**. Among the many programs it supports, this fund provides an additional \$7 million per year over the next 10 years to community colleges for workforce training and economic development. Seventy percent of these funds must address the three targeted industry clusters of the state: manufacturing, life sciences, or information solutions. However, no new programs were created to disburse this money. Instead, employers and their partners, which often

include community colleges, apply for the targeted funds through the Iowa Industrial New Jobs Training Program, the Iowa Jobs Training Program, or the Accelerated Career Education program.

Funding: The Grow Iowa's Values Fund was established by the Iowa legislature and commits an economic stimulus package of \$50 million in general fund monies each year for the next 10 years. Seven million of this money is allocated each year to community colleges under the Workforce Training and Economic Development Fund. This funding represents an investment of nearly \$4.38 per worker in the state each year for the next 10 years.

The Iowa Board of Community College Presidents established the **One Source Program** in 2001 to better serve state businesses. The board started the program to assist employers that wanted to provide the same training to employees in multiple locations across the state. In the past, the employer would have had to approach the community college in each area and set up a different training program at each college. Through this new partnership, the employer only has to deal with one point of contact at One Source. The One Source operating team communicates with all the various colleges in the employer's locales. One Source ensures that all employees are receiving the same content and quality of training. One Source also sets uniform pricing and instructor salaries.

One Source acts as a project manager for large multi-location training projects, while individual colleges deliver the training to employers. One Source also markets the

community colleges to possible business clients that are looking for fee-for-service contract training, many of whom do not qualify for the 260 programs. One Source has also developed a set of training products, known as Workplace Lean, that provide information to office, insurance, banking, government, education, and healthcare workers about how to make their operations more efficient.

One Source Training assisted numerous employers and workers in its first two years of operation. During that time, One Source projects held 356 classes at 49 training locations across the state, trained over 4,000 workers, had over 37,000 contact hours with students, and billed over \$326,000.

According to the program's fact sheet, One Source has responded to employer needs in Iowa through several large projects, including the following:

HyVee: Through One Source Training, the community colleges are offering customized workplace Spanish training classes to HyVee employees at all of its 216 stores.

Homeland Security Training: (Kirkwood Environmental Health and Safety Training Center-Federally Funded Training): KCC developed three homeland security training modules for Iowa businesses. One Source is coordinating the statewide delivery of this training by the community colleges. These three two-hour sessions are offered at over 191 sites or on site at no cost to business clients; 2,848 participants have received the training.

U.S. Department of Agriculture: Farm Services Agency, Rural Development, and Natural Resources Conservation Services: In FY 2003 and 2004, the colleges delivered 350 customized Outlook and PC Skills training classes including Word Level 1 and 2, Excel Levels 1 and 2, Access Levels 1 and 2, and PowerPoint. Classes have been offered at 49 different community college campuses, and learning center locations.

Association of Business and Industry (ABI): One Source and ABI have established a contractual partnership to provide training to ABI members throughout Iowa.

Master Builders of Iowa (MBI): One Source is partnering with MBI for the delivery of commercial construction training to its members by the community colleges.

Workplace Lean: The Community Colleges of Iowa have developed an office and transactional lean product line called Workplace Lean™. All of the colleges are participating and will have trainers trained by October 2005. One Source has coordinated the contracts for product development, the work of five task forces involved with components of these products and roll-out, creation of the marketing materials, development and maintenance of a special Web site for the college trainers and sales staff, and design and layout of the training materials. Workplace Lean™ is a wholly owned product of the Community Colleges of Iowa. Product roll-out began in May 2005.

Funding: While specific amounts were not readily available, One Source Training is funded by an annual contribution from each community college. Each college, regardless

of size, pays the same amount so each school is an equal member in the partnership. One Source also receives funding from fee-based training services to employers. The One Source team sets the costs of training for One Source projects at the various schools so each are receiving the same payment from an employer. The One Source team even sets instructor salaries to ensure that instructors are equally paid across schools and to make sure that each school is equal in attracting qualified instructors. All 15 community colleges pay the same annual assessment to operate One Source, regardless of size. These monies are used to fund the operating team that communicates with employers and the colleges, coordinates projects, sets pricing, bills the client, etc.

According to the Iowa Department of Economic Development's Web site, the **Iowa Careers Consortium** is a public-private partnership that was created to help the state's targeted industries find qualified employees. The Consortium includes Iowa businesses, communities, educational institutions (including community colleges), professional associations, the Iowa Department of Economic Development, and Iowa Workforce Development. The Consortium develops an integrated marketing campaign that is designed to attract highly skilled workers to the state to support the state's targeted industries.

Funding: The program is administered through the Iowa Department of Economic Development. No information was readily available regarding how, or in what amount, the consortium is funded.

The High Technology Apprenticeship Program supports apprenticeship training offered by community colleges that incorporate the latest technologies available in the modern workplace.

Funding: The High Technology Apprenticeship Program provides funding to community colleges based on student contact hours. The program is funded by a state general fund appropriation and administered through the Iowa Department of Economic Development. However, specific amounts of funding were not readily available.

Select Advice Offered by Officials for Successfully Deploying Community Colleges in Support of State Economic Development Goals

Officials in Iowa offered the following words of advice to policymakers in New Jersey to help them plan effective mechanisms for engaging community colleges to support the state's plans for economic development:

- “It is important to create consistency among the state’s training programs. From a client perspective, consistency makes [the One Source program] effective.” (Saylor, One Source)
- “Partnerships with the business community help us stay in tune with business needs, but you need a culture within the [community college] institution that facilitates these relationships, you need to be very responsive to business. You need a staff that dedicated to the purpose of Economic Development, because it is hard work.” (Ovel, Kirkwood Community College)
- “Commitment [to deploy community colleges around statewide economic development goals] must come from the top and there must be good communication among all partners.” (Saylor, One Source)
- “Community college staff must be highly networked with all of the partners in these projects. They must serve on local boards and be active in the local community.” (Ovel, Kirkwood Community College)
- “The more comprehensive the community college system is, the more responsive it can be. In many states, education and training are under different leadership, in Iowa they are all under the [same] system.” (Ovel, Kirkwood Community College)
- “Empower local boards to make decisions locally. They need to respond efficiently and quickly without a state bureaucracy holding them up.” (Ovel, Kirkwood Community College)
- According to a One Source representative, “Local community colleges are also important because they add ‘local flavor’ and know the local employers well. The One Source program builds a lot from the local up.” (Saylor, One Source)
- Iowa has been successful in deploying its community colleges to support statewide economic development goals because “decisions are locally driven and employers don’t have to wait for state bureaucracy to

make decisions. This equals quick service.”
(Ovel, Kirkwood Community College)

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Interviews

Steve Ovel
Executive Director
Governmental Relations
Kirkwood Community College

Collette Saylor
Executive Director
Iowa One Source Training

Beverly Bunker
Chief, Bureau of Community Colleges and
Career and Technical Education
Iowa Division of Community Colleges and
Workforce Preparation

MICHIGAN

Background

Michigan has 28 public community colleges that are governed locally by independently elected boards of trustees. At the state level, the Michigan Board of Education has very limited coordinating and licensing functions with regard to postsecondary institutions.

The Michigan Community College Association, which is very similar in mission and form to the New Jersey Council of County Colleges. The association is designed to foster collective legislative and other state-level policy goals of its member colleges, as well as to promote the benefits of the community college system to the state's citizens and employers. The association has a president, as well as a trustee representative from each member college.

The governor of Michigan created the Council of Labor and Economic Growth (CLEG) in 2004 to replace the state's Workforce Investment Board. CLEG is the primary agency responsible for bringing together a variety of organizations, including community colleges, to support improved workforce and economic development. The Council's members include leaders from business and labor, community colleges, universities, local workforce boards, and other stakeholders. The Council is charged with working closely with the Michigan Economic Development Corporation's Board of Directors and the governor's Council of Economic Advisors to coordinate state activities, including the activities of

community colleges, around statewide economic development goals.

In 2004, the Michigan Opportunity Partnership was established by Michigan's current governor to "conduct immediate, rapid-response training to quickly and comprehensively train and place out-of-work citizens to fill openings that employers have today, particularly in healthcare and the skilled trades," according to the Michigan Department of Labor and Economic Growth Web site. The partnership includes representatives from community colleges, state economic and workforce development agencies, the private sector, and other stakeholders.

The Michigan Economic Development Corporation (MEDC) serves as the single point of entry for employers in the state who are looking for training assistance. According to MEDC's Web site, the state's targeted industries include:

- advanced manufacturing (especially automotive, plastics, metals, and biomedical devices);
- life sciences; and
- agriculture.

In 2000, *Site Selection* magazine recognized Michigan for having the highest number of business expansions in the nation for the fourth year in a row.

Statewide Economic and Workforce Programs Involving Community Colleges that were Highlighted by State Web sites

Programs to Enhance the Skills of the State's Entire Workforce

While all of Michigan's community colleges offer courses designed to promote general workforce development, one of the most unique programs designed for this purpose is the **Worldwide Instructional Design System (WIDS)**.

Implemented in 2004 by the Michigan Department of Career Development, the WIDS program provides curriculum software and training for most of Michigan's 28 community colleges. The program is designed to promote the development and sharing of competency-based curricula among the state's community colleges. Using software, colleges can create classroom or Internet-based courses that are linked to nationally recognized industry standards. The software also allows users to create and share teaching plans, syllabi, DACUM reports, and performance assessments.

According to the Department for Labor and Economic Growth's Web site, "WIDS, or Worldwide Instructional Design System, is a set of software and training tools developed by the Wisconsin Technical College System. It is an approach to teaching, assessment, and outcomes measurement that is now in place in 300 schools and school systems in the United States and abroad."

Funding: Implementation of the Worldwide Instructional Design System is funded through a three-year grant extended by the Michigan Department of Career Development that is carved out of the state's general fund. Specific amounts were not readily available.

Programs to Meet the Training Needs of Individual Companies

Michigan's **Economic Development and Job Training Program** is the state's primary customized training grant program to assist individual firms. It is partially supported by employer matching funds and allows employers to create customized job training solutions that lead to the creation of new jobs or improved job skills among existing workers. While community colleges are not the only providers of such training, they do play an important role in the program.

Funding: According to the Citizens Research Council of Michigan's Survey of Economic Development Programs in Michigan (2003), the state provided \$31 million in general fund support for the program. Up to \$1 million may be used for worker recruitment activities by Michigan companies. Overall, this represents an investment of nearly \$6.53 per worker in the state.

Programs or Initiatives to Develop a Trained Workforce for Key Sectors of the State Economy

Cited by the National Governors Association's Center for Best Practices in 2004, Michigan has established 16 **Regional**

Skills Alliances. The alliances are employer led and regionally based. They involve community colleges and other stakeholders in identifying and solving local workforce challenges that support statewide economic development. Each alliance is focused on the issues facing a group of interrelated businesses, known as industry clusters, which are important in particular regions of the state. Current alliances, known as MiRSASMs, are working on customized solutions for filling job openings in the healthcare, manufacturing, construction, and nanotechnology industries.

Funding: Combining state general appropriation funds and foundation monies, Michigan provides one-year startup grants totaling over \$1 million for the initial development of the Michigan Regional Skills Alliances. This is roughly equivalent to an investment of nearly 20 cents per worker in the state.

In 2000, the Michigan Economic Development Corporation (MEDC) created the **Michigan Technical Education Centers (M-TEC)** to respond to statewide skilled worker shortages. M-TECs bring community colleges, workforce development boards, the MEDC, organized labor, and regional businesses together to identify high-demand jobs and to develop flexible training programs based upon industry standards to meet business needs. The centers are designed to attract workers to the fields in which they specialize as well as allow the state to respond more effectively to the changing skill requirements of the business community.

MEDC claims that the M-TEC system was “designed to offer a complete solution to [employers’] training needs.” Each center is independent, but each offers on-demand training provided by community college staff that allows for self-paced instruction and open entry and exit. Centers usually are situated locations, such as industrial parks, which are convenient for workers and use newly constructed, state-of-the-art facilities to offer the most advanced and cost-effective training technologies. Training is based on industry standards that reflect current certification and qualification requirements of local industries.

Business Facilities magazine recognized Michigan as an innovative state by awarding the state several Economic Development Achievement Awards, including a Gold award for its M-TECs in 2002. In granting this award, judges commented about the program:

"A broad base of usage and support by 500+ companies shows this program to be a top-notch effort," said Judge Doug Aldrich.

"M-TEC is an inclusive, collaborative effort involving all stakeholders involved in workforce training," commented [Judge] Birch. "The scope of involvement shows a real commitment to creating a system that delivers the outcomes that companies need. The scope of the program itself demonstrates a real understanding of the business environment. It shows a willingness on the part of state officials to recognize and address a challenge now before it becomes an impediment to future

retention and recruitment activities.”
(Source: *Business Facilities Web site*)

There are currently 18 M-TECs across the state, each focusing on a set of high-demand occupations within a state-targeted industry cluster. According to the MEDC Web site, “Michigan’s M-TECs have provided services to more than 1,100 employers and 25,000 trainees, totaling over 679,000 training hours, far exceeding their five-year goals within the first two years of operation” (MEDC Web site). As stated earlier, *Business Facilities* magazine claimed that M-TECs are “inclusive, collaborative effort[s]...The scope of the program demonstrates a real understanding of the business environment.”

Funding: A total of \$60 million is available for construction of the new M-TEC facilities through a state-funded competitive grant process administered by the Michigan Economic Development Corporation. This represents a contribution of \$12.24 per worker in the state. Of all of the state programs examined in this study for which funding information was readily available, this program represents the largest investment of state dollars per worker in the state.

Private companies and community colleges contributed additional funds of approximately \$30 million to create the 18 centers throughout the state. For example, in the case of Bay de Noc Community College in Michigan’s Upper Peninsula, the original \$3.4 million proposal to MEDC included over \$1.1 million in matching funds from 10 companies and agencies. Furthermore, Bay de Noc College has a governing board whose

members are companies or organizations that make five-year financial commitments to cover the operational expenses of the M-TECs. Overall, the \$90 million combined investment in this program is roughly equivalent to spending \$18.37 per worker in the state.

According to the Michigan Labor and Economic Growth Web site, the **Competency-Based Curriculum Fund** provides competitive financial incentives to public and private schools and education agencies to create business-education partnerships. These partnerships will identify the competencies needed by businesses and develop training curricula to address the skill needs of employers.

Funding: The Competency-Based Curriculum Fund is a three-year, \$30 million state-funded initiative that is administered through the Michigan Department of Career Development. This funding represents an investment of approximately \$2.00 per worker per year, or \$6.12 per worker over the entire period.

Through the **Michigan Opportunity Partnership**, a coordinating body involving community colleges that is dedicated to helping employers fill demand jobs, new funds are available to community colleges to accelerate training for nurses and other healthcare professionals.

Funding: According to the Department of Labor and Economic Growth Web site, as of July 20, 2005, Michigan universities and community colleges will be eligible to receive more than \$17 million in state-funded grants for this initiative, representing

an investment of nearly \$3.47 per worker in the state.

The **Michigan SmartZones** program is also beginning to involve community colleges to support economic development among key industries in various regions of the state. The SmartZones program funds collaborations between colleges and universities, businesses, research organizations, and government agencies to foster the growth of high-tech jobs and businesses. The program encourages high-tech firms, entrepreneurs, and research organizations to locate themselves in close proximity to community-based research and training assets that will assist in their growth.

SmartZones utilize the education, training, and research efforts of the educational institutions in their local areas. In at least two cases, this includes the local community college. For example, Kellogg Community College is a partner in the Battle Creek Aviation and e-Learning SmartZone. The Kellogg Community College Regional Manufacturing Technology Center (RMTC) offers instruction in the skilled trades, as well as hydraulics, computer numeric control, and other industrial applications. RMTC is also an important partner because it provides an “entrepreneurial climate for e-commerce businesses growth, including entrepreneurial support and workforce development” (Battle Creek Unlimited, Inc. Web site). There are currently 11 SmartZones in Michigan.

Funding: Property taxes collected from the zone are reinvested to improve incubator facilities at participating colleges and

universities, telecommunications infrastructure, and educational assets without imposing additional costs on SmartZone occupants. Tax incentives may also be available for companies wishing to locate or expand within the SmartZone. Specific funding amounts for this program were not readily available.

Resources

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MISSISSIPPI

Background

The State Board for Community and Junior Colleges oversees Mississippi's 15 community and junior colleges. The Career Technical Division provides day-to-day management of the colleges at the state level and coordinates with the Mississippi Department of Education, as well as other state agencies and departments. On the local level, Mississippi's community and junior colleges are governed by locally appointed boards of trustees.

The state's economic development agency, the Mississippi Development Authority, recently launched the Advantage Mississippi initiative, a comprehensive economic development plan for the state. The plan calls for a regional approach to economic development. The Mississippi Development Authority has commissioned studies to inform economic development plans in the following key industry clusters in the state:

- forest products;
- automotive; and
- communications and information technology.

Mississippi policymakers have designated the state's community and junior colleges as the sole providers of state-funded workforce training. While the state has identified areas where key industries are concentrated, most state-funded programs involving community colleges are targeted toward the educational development of the

state's entire workforce. One of policymakers' primary economic development goals is to increase the state's competitiveness by creating a well-trained industrial workforce.

Statewide Economic and Workforce Programs Involving Community Colleges that were Highlighted by State Web sites

Programs to Enhance the Skills of the State's Entire Workforce

Mississippi Advantage includes an increase in the **Basic Skills Tax Credit**, which is offered to employers who provide qualified basic skills training to their workers. The amount of the employee payroll tax credit was increased from 25% to 50% under the initiative. All training must be provided by a local community or junior college.

The state has also created the **Mississippi Virtual Community College**. A consortium of 14 of Mississippi's community colleges support distance learning through this program. The program includes the Community College Network (CCN), a two-way, interactive video network that links the 14 community and junior college sites in Mississippi. Students wishing to take a course at a college far from their home can enroll at a local college, but take courses remotely from a college elsewhere in the state. The student receives credit, as well as the full array of support and financial services, from the local "host" college. Through the CCN, students can also take the GED test, as well as vocational courses from Mindleaders in areas such as

information technology, management, and other areas.

Mississippi has also created a unique program to improve the quality and consistency of instruction at all of the state's educational institutions. The **Research and Curriculum Unit (RCU)** at Mississippi State University develops and disseminates curriculum materials and other teaching materials to the state's secondary schools, community/junior colleges, and vocational centers. The unit creates and edits statewide curriculum frameworks that incorporate academic, industry, and workplace basic skills standards. The frameworks are also coordinated with nationally recognized industry certifications. RCU staff work closely with teachers and college instructors to develop relevant, user-friendly curricula.

RCU also develops vocational assessments that teachers can use to assess students' mastery of particular skills. At the postsecondary level, student assessments have been aligned with common adult basic education test instruments. RCU also disseminates key research findings to instructors and provides a variety of professional development opportunities for the state's vocational and technical educators. Teacher instruction is provided both in-person and online. RCU stresses the integration of academics, workplace basic skills, technical skills, and technology into vocational education courses.

Funding: RCU is funded through the state general fund via support provided to Mississippi State University. Specific funding amounts were not readily available for this program.

Programs to Meet the Training Needs of Individual Companies

Mississippi's **Industrial Training Program** uses the state's community and junior colleges and high school vocational centers to deliver customized training to companies that are locating to or expanding within the state. Training, from basic skills education to advanced technical training, is provided at little or no cost to the company. Industrial Training Coordinators at community colleges assist employers with worker recruitment, develop training programs with the employer, and train applicants according to employer standards. They also help employers to assess their workers' skill needs and job requirements.

Under the state's Advantage Mississippi economic development initiative, the State Board for Community and Junior Colleges may now join high-profile business recruitment efforts and negotiate multi-year contracts for customized training program with employers considering moving to or expanding within the state.

Funding: The state has created a categorical fund called the Workforce Training Enhancement Fund to support the Industrial Training program and other workforce development programs at community colleges. In 2004, the legislature approved \$20 million for the fund, an investment equivalent to roughly \$15.38 per worker in the state. To ensure ongoing support for negotiated multi-year contracts, the State Board for Community and Junior Colleges must file a report the number of multi-year commitments made each year to the legislature.

Programs or Initiatives to Develop a Trained Workforce for Key Sectors of the State Economy

The Research and Curriculum Unit (RCU) creates industry-specific training curricula to meet the occupational skill needs of employers and encourage industry growth. RCU coordinated with Mississippi's 15 community college districts and the State Board for Community and Junior Colleges to create specialized curricula, generic curricula, audio-visual training tapes, and e-learning modules.

Funding: RCU is funded through the state general fund via support provided to Mississippi State University. Specific amounts were not readily available.

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NORTH CAROLINA

Background

North Carolina has 58 community colleges and one technology center. The State Board of Community Colleges sets policies, standards, and procedures for the administrative offices and institutions that make up the North Carolina Community College System. Local community colleges are governed by a board of trustees consisting primarily of members appointed by the governor and county officials.

The state's community college system was established following World War II with a strong focus on serving the needs of the state's businesses. Community colleges have long been the preferred provider of workforce training in the state. In 2004, the state legislature established a law that requires the state to use community colleges as the sole providers of publicly funded workforce development training.

The North Carolina Community College System has a Division of Economic and Workforce Development, which administers all of the state's business training programs and works to coordinate the efforts of community colleges in support of state economic development goals. The State Board of Community Colleges also collaborates with the State Department of Commerce to encourage businesses to move to or expand operations within the state. Board representatives work with employers to develop customized training packages delivered by one or more of the state's

community colleges, as part of the state's overall business incentive package.

The North Carolina Department of Commerce has identified the following key industries and groups of interrelated businesses (industry clusters) for economic development in the state:

- motor vehicle and heavy equipment manufacturing;
- automotive;
- pharmaceutical, biotechnology, and life sciences;
- information and communications technologies; and
- plastics, rubber, and related chemicals.

Based on the results of industry cluster studies, North Carolina has taken a regional approach to economic development. The state is divided into seven economic regions, which define areas of industry concentration in the state. The State Board of Community Colleges has regional offices that play a strong role in deploying and coordinating the area's community colleges to support the workforce needs of the industries that the state has identified as being important to the economic health of the region.

Statewide Economic and Workforce Programs Involving Community Colleges that were Highlighted by State Officials and State Web sites

Programs to Enhance the Skills of the State's Entire Workforce

North Carolina has created the **Occupational Continuing Education Program** as a key part of the state's

economic development strategy, which includes raising the vocational skill levels of all workers and potential workers in the state. The program subsidizes short-term continuing occupational education. Courses range from basic skills, to office applications, to more advanced technical classes. The goal of the program is to improve accessibility to vocational training so that a larger number of the state's workers can prepare for the demands of the workplace. While the program is not free to students, state officials reported that prices range from \$50 for 10 hours of training to \$65 for 100 hours. The program serves approximately 600,000 people per year.

Funding: The program is supported by student tuition and state-funded full-time equivalent reimbursements to community colleges for the number of hours a student spends in training. Specific funding amounts were not readily available.

The **1+1 program** allows students to begin basic vocational coursework at one community college and complete more advanced training at one of a number of other community colleges in the same region. For example, students may take basic required courses for their biotechnology degrees, then have the opportunity to transfer to a neighboring college that has a state-of-the-art biotechnology training laboratory to complete advanced technical training. One college president commented that the program utilizes regional resources well and avoids unnecessary duplication of programs. Another reported that the program benefited all of the colleges, as well as the students, by attracting more students to the community college system and

increasing enrollments in each college's specialty course areas.

Funding: The program is supported by memoranda of understanding among participating colleges. The cost of the program was not readily available.

State officials in North Carolina highlighted **The Human Resources Development Program**. This program offers assessment and training services to unemployed and underemployed adults. Officials stated that the program is a major part of the state's effort to increase the skills of the state's workers.

Funding: Specific information regarding how this program is funded was not readily available.

Programs to Meet the Training Needs of Individual Companies

According to the North Carolina Community College System Fact Book, North Carolina is the only state in the nation that has consistently ranked in the top 10 for employer training programs by *Expansion Management* magazine.

North Carolina's **New and Expanding Industries Training Program**, which began in 1958, is the oldest customized training program in the country. It is also the state's premier training program for serving specific employers. It provides companies that move to or expand within the state with a single point of access to a customized package of training services delivered by the state's community colleges. State Community College Board members explore

employers' training needs and negotiate on behalf of local community colleges. Employers are then matched with a local community college that manages the contract, develops curricula, and delivers the needed training.

Colleges can subcontract with a university or a private company, including the client, to deliver training when the college does not have the capacity to meet the employer's needs. However, during the first year of the contract, the consultant must transfer curriculum and technical knowledge to community college staff. According to state officials, this allows community colleges to build new instructional capacities. The program can provide up to three years of training to businesses, based on employer needs. So, a course delivered by a consultant one year is often delivered by the community college the next. In addition, colleges can adapt new curricula to meet the needs of multiple employers in the industry.

The program was recently used as part of a comprehensive \$242 million recruitment package to attract a new Dell computing manufacturing plant to the state. One state community college system official reported that North Carolina gets more expansions than relocations, but 62% to 68% of these expansions generate new jobs. He attributed this success in part to the New and Expanding Industries Training Program.

North Carolina also provides the **Focused Industrial Training Program** to provide existing companies with customized training for incumbent workers. Community colleges provide training to

qualified companies in targeted industries that are introducing new technology or processes. This training is paid for by the state with no cost to the company. Community colleges manage all of these grants and provide all needed training. Unlike the New and Expanding Industries Training program, this program does not allow colleges to pay client company content experts or others to design and deliver training.

Funding: Both of these programs are funded by a categorical fund reserved for workforce training. The state legislature has allocated \$6.25 million from state general fund to support this categorical fund. This represents an investment of nearly \$1.52 per worker. Unused monies can be carried over from year to year, allowing the fund to grow.

Programs or Initiatives to Develop a Trained Workforce for Key Sectors of the State Economy

North Carolina established the **Workforce Initiatives Program** to provide a mechanism for coordinating federal Workforce Investment Act and Wagner-Peyser funds with state funding and other available resources to solve specialized workforce issues in key state industries. Most projects involve partnerships among state educational institutions, employers, state-level agencies, and others.

Example initiatives funded by the Workforce Initiatives Program include **Project Health**, which combines state and federal workforce development funding to provide stipends to send nurses to get their Master's of Science degree in nursing at a

State University, following which the students agree to teach at a community college for at least two years. In addition to partnering with several hospitals to recruit nurses, community colleges around the state have also partnered with state colleges and universities to recruit students earning a Bachelor's of Science to complete their Master's degree and teach at the community college. The goal of the project is to build teaching capacity in nursing programs at community colleges. The program is an integral part of the state's plan to address the statewide nursing shortage.

Another major project involving community colleges that has been funded by the Workforce Initiatives Program is the **Bio-Network** project. This project was funded mainly by the Golden Leaf Fund, North Carolina's \$60 million settlement from the federal lawsuit against tobacco companies. The project is meant to help transition workers from traditional industries in the state, such as tobacco and furniture, to biotechnology technician careers. It uses a curriculum designed to help career changers build on existing skills and move at an accelerated pace into a career in biotechnology processing.

To carry out the Bio-Network project, community colleges partnered with a consortium of state universities and state biotech centers. Community colleges share biotechnology curricula leading to an Associates in Arts degree. For example, Forsythe Community College developed the largest Associates degree program for biotechnology technicians in state with help from the State Board of Community Colleges. The college has shared its

curriculum with other community colleges in the state and the college president reports that it is now sharing the curriculum nationally through a new federal pilot program.

The capstone of the Bio-Network program, according to state community college officials, is a pilot plant housed at the University of North Carolina that includes a model bio-process plant with all needed equipment. A consortium of local community colleges manages a suite within the plant for exclusive use of the state's community college students. Students working on a biotechnology degree at any community college in the state can come to the plant for one week to receive hands-on technical training.

Funding: This program combines federal, state, and private workforce development funding to support eligible projects. A specific amount for the total funds available through this program was not available. However, according to the North Carolina Community College System Fact Book, the Bio-Network project received an initial investment of \$8.7 million, equivalent to \$2.12 per worker. For 2005, the allocation for the program was set at \$7.1 million, an investment equivalent to \$1.72 per worker in the state.

Community colleges in North Carolina support the state's **Small Business Center Network**, which is designed to help the state's small business and entrepreneurial sectors grow. The centers, located on community college campuses, provide seminars, training, and counseling for entrepreneurs and small business owners.

Community college personnel provide these customers with assistance developing business and marketing plans, and understanding tax regulations and other applicable laws. Each center has a library available for customers to research various business-related topics. According to state community college officials, the program serves approximately 60,000 businesses per year across the state.

Funding: The state legislature dedicated \$4 million from the state general fund last year to support the centers. This year, a state community college official reported, the legislature plans to add another \$1 million. Overall, this \$5 million contribution represents an investment of \$1.21 per worker in the state. Community colleges also support the Small Business Centers by collecting user fees from employers for some longer-term consulting services.

Select Advice Offered by Officials for Successfully Deploying Community Colleges in Support of State Economic Development Goals

Officials in North Carolina offered the following words of advice to policymakers in New Jersey to help them plan effective mechanisms for engaging community colleges to support the state's plans for economic development:

- “Flexibility is key [to the success of state efforts to deploy community colleges to support state economic development priorities]. Programs must be demand-driven. The [business] world is less rule-driven. State efforts that are in touch

with the needs of employers work at the speed of business.” (Keen, State Community College System)

- State efforts to involve community colleges in economic development “need a strong local connection to the problem[s employers face]. They need buy-in from colleges. Statewide efforts need to be grounded in the needs of the community. But community needs differ, so [policymakers] need to balance between serving local needs and state needs.” (Greene, Forsythe Community College)
- To successfully involve community colleges as partners in state economic development “policymakers must ask the following fundamental questions about the state’s community colleges: ‘How does this [economic development] role fit with the junior college role?’ ‘Can colleges be flexible enough to meet local needs?’ and ‘Will colleges collaborate, especially when money is tight?’” (Scott, WakeTech Community College)
- “Sustainability is difficult [for programs that engage community colleges in supporting state economic development goals]. Colleges get start-up grants, but then it is difficult to keep it going. Policymakers should create more programs that provide ongoing, stable support for community college involvement.” (Scott, Wake Tech Community College)
- “Having community colleges designated as the state’s workforce training providers promotes tight links between

colleges and employers. This leads to more funding [from employers who support key programs] and better job placement rates. However, to be successful, policymakers shouldn't just throw money into the issue. They need to coordinate and communicate.”
(Rawls, Craven Community College)

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Interviews

Gary Greene
President, Forsythe Community College

Lawrence Keen
Vice President for Economic and Workforce
Development,
North Carolina Community College System

Scott Miller
President, North Carolina Economic
Development Association

Scott Rawls
President, Craven Community College

Steven Scott
President, Wake Tech Community College

PENNSYLVANIA

Background

Pennsylvania has 14 community colleges spread out over 60 campuses and satellite locations throughout the state. At the state level, community colleges are governed by the State Board of Education. At the local level, colleges are governed by a locally selected board of trustees.

The Pennsylvania Commission on Community Colleges is a non-profit organization made up of representatives from each college. The organization operates at the state level to coordinate with state agencies, advocate for the needs of member colleges, and disseminate relevant information.

The Pennsylvania Department of Community and Economic Development coordinates many of the state's workforce development programs. According to Pennsylvania's Workforce Development Web site, state policymakers identified high-demand occupations in the following industry clusters based on a study of the state's key economic sectors:

- advanced materials and diversified manufacturing;
- printing industry sub-cluster;
- logistics and transportation;
- building and construction;
- lumber, wood, and paper;
- information and communication services;
- agriculture and food production;
- education;

- business and financial services;
- healthcare; and
- bio-medical.

Governor Rendell's new economic development plan, the Job Ready PA initiative, defines a role for community colleges in workforce development activities designed to support and grow the state's businesses and industries.

Statewide Economic and Workforce Programs Involving Community Colleges that were Highlighted by State Officials and State Web sites

Programs to Enhance the Skills of the State's Entire Workforce

The **Job Ready PA** stimulus package includes a \$23 million increase in general operating and capital revenue to community colleges to help them to align with state workforce needs. An additional \$9 million has been provided to strengthen the **Grants to Students Program**. Together, these two initiatives represent a state investment of \$5.33 per worker in the state.

The initiative also provides funding for **Project 720**, which allows students to gain college credit and receive workforce training, as well as a **dual enrollment program** that allows students to earn a high school diploma and college credit at same time.

Funding: Job Ready PA programs are funded by appropriations from the state's general fund. The legislature set funding levels for the initiative for the next 10 years to ensure continuity of support.

Programs to Meet the Training Needs of Individual Companies

The **Customized Job Training Program** reimburses eligible employers for up to 75% of the cost of training new or existing employees. Employers in the agriculture, industrial manufacturing, research and development, and technology-oriented industries are eligible to apply for this program. Employers may choose community colleges to provide the training.

Pennsylvania's **Guaranteed Free Training Program** allows employers to apply for state-funded customized basic skills or information technology training for new or incumbent workers. Community colleges must compete with other training vendors to provide this training to employers.

The **Workforce and Economic Development Network of Pennsylvania (WEDnetPA)** was formed to offer employers access to a comprehensive listing of courses available at public institutions through the state's Guaranteed Free Training Program. The network is an alliance of the Pennsylvania State System of Higher Education, the state's community colleges, the Pennsylvania College of Technology, the North Central Industrial Technical Education Center, the Greater Altoona Career & Technology Center, the Lancaster County Career & Technology Center, and University of Pittsburgh-Bradford. WEDnetPA provides a website tool that allows employers to search for needed training. Employers must contact the WEDnetPA partner of their choice to apply for Guaranteed Free Training Funds.

The Governor's Action Team (GAT), a statewide economic development agency, is charged with recruiting new employers to the state and encouraging major expansions of existing companies. The GAT calls upon one or several of the WEDnetPA partners on an as-needed basis to develop a comprehensive package of incentives for particular companies that includes workforce training.

Funding: Funding for these programs to support particular employers is provided through appropriations from the state's general fund. The Job Ready PA initiative added \$15 million to train existing workers in all industries through these programs, an investment of nearly \$2.50 per worker in the state.

Programs or Initiatives to Develop a Trained Workforce for Key Sectors of the State Economy

Pennsylvania has created **Workforce Leadership Grants** to establish seamless transitions from high school, to two-year, to four-year postsecondary institutions within three industry clusters: bio/life sciences, information technology/opto-electronics, and advanced manufacturing and materials. Regional partnerships of educational institutions and other stakeholders may apply for grants of up to \$300,000 for this purpose. Partnerships can also apply for grants of up to \$100,000 to create or expand workforce development services, especially degree granting programs.

Funding: The Workforce Leadership grant program is funded through

appropriations from the state's general fund. Specific amounts were not readily available.

The state's **Job Training Fund** allows non-profit training providers and public educational institutions to apply for matching grants to support workforce training efforts. This year, funds are limited to equipment purchases in high-priority occupations and targeted industry clusters.

Funding: The Job Training Fund is supported by Unemployment Insurance penalties and the interest that accrues from these payments. Specific funding amounts were not readily available.

State policymakers recently created the **Economic Development Stipend**, which provides a higher rate of per-student reimbursement from the state to community colleges for students that participate in training for approved high-demand occupations.

Funding: Policymakers have divided community college base funding into two pots — general operating funds and the Economic Development Stipend. Approximately 19% of the total base funding for colleges was placed into the latter pot. Since the amount of money in this pot is fixed, but the number of students who enroll in high-demand courses is not, the amount of reimbursement that community colleges receive from this pot may vary depending on the number of qualified applicants.

The Job Ready PA initiative also included the following investments in key programs and activities that involve community colleges:

- \$5 million to support already successful partnerships between community colleges and industries, such as food processing and powdered metals.
- \$3 million to fund the *Keystone Innovation Starter Kit Program* in state-designated innovation zones. The kits provide matching funds to help the state's community colleges, four-year colleges, and universities recruit skilled faculty in life sciences and advanced manufacturing.
- \$10 million program to provide grants to students taking part-time courses in high-demand fields.
- \$40 million commitment to address healthcare industry needs.
- Additional funding to train more nurse educators.

Overall, the \$58 million allocated for the above programs represents an investment of \$9.67 per worker in the state.

Funding: Job Ready PA programs are funded by appropriations from the state's general fund. The legislature set funding levels for the initiative for the next 10 years to ensure continuity of support.

Select Advice Offered by Officials for Successfully Deploying Community Colleges in Support of State Economic Development Goals

Officials in Pennsylvania offered the following words of advice to policymakers in

New Jersey to help them plan effective mechanisms for engaging community colleges to support the state's plans for economic development:

- It is important for the state to identify priority industries.” (Dedrick, Pennsylvania Workforce Investment Board)
- “Recognition at the state level is important. Policymakers need to recognize that community colleges have a lot to contribute to economic development.” (Bosak, Pennsylvania Commission on County Colleges)
- “Policymakers must deal with the ‘dual mission’ issue. Some schools are more ‘transfer-oriented’ and may not have the internal culture to add value to an economic development effort.” (Dedrick, Pennsylvania Workforce Investment Board)

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Pennsylvania Commission for Community Colleges Web site:
<http://www.pacomcommunitycolleges.org/content/view/21/38/>

Interviews

Diane Bosak
Executive Director
Pennsylvania Commission for Community Colleges

Fred Dedrick
Executive Director
Pennsylvania Workforce Investment Board

Brent Vernon
Development Specialist
Governors Action Team

SOUTH CAROLINA

Background

South Carolina has 16 public two-year technical colleges, which are governed at the state level by the South Carolina Commission on Higher Education's State Board for Technical and Comprehensive Education. The Board sets policies and procedures for the administrative offices and institutions that make up the South Carolina Technical College system. At the local level, the colleges are run by a board of trustees that is appointed by the governor and county executives in the college's service area.

In South Carolina, community colleges were established in the 1960s with the primary intent of growing human capital to serve the state's businesses. According to officials, the South Carolina Technical College System works closely with the South Carolina Department of Commerce to plan and coordinate statewide economic development activities. Together, these entities set general guidelines for the community colleges to work together to find solutions to workforce issues in industries targeted by the state for economic development. South Carolina has designated community colleges as the sole providers of state-funded workforce training.

In 2003, the Department of Commerce released a statewide industry cluster study performed by the Monitor Group. The study identified the following key industry clusters in South Carolina's economy:

- automotive;
- chemicals;
- textiles; and
- tourism.

Following the study, the governor established the South Carolina Council on Competitiveness to implement the report's recommendations, including taking action to support the workforce needs of numerous clusters. The Council consists of over 150 business, government, and academic leaders from around South Carolina. It has developed a regional, cluster-based approach to economic development based around the four primary industries identified in the report. Often, the Council recommends that several community colleges in a particular region work together on training-based solutions that address the needs of multiple employers in an industry cluster.

Statewide Economic and Workforce Programs Involving Community Colleges that were Highlighted by State Officials and State Web sites

Programs to Enhance the Skills of the State's Entire Workforce

South Carolina recently passed legislation requiring the state to provide more and better information to students about careers. As a result of this law, the state developed a **dual enrollment** program. The program allows students to attend career-oriented courses at a local community college while they are still in high school. Through participation, students earn high school and college credits at the same time.

Funding: Specific information about how this program is funded was not readily available.

In addition, South Carolina promotes increased access to higher education for all of the state's citizens by providing extensive **tuition assistance** to students to allow them to attend a community college.

Funding: According to state officials, this tuition assistance program is funded through the state lottery. Funds cover 65% to 68% of tuition costs for students.

Programs to Meet the Training Needs of Individual Companies

South Carolina's premier program designed to involve community colleges in state economic development is the **Center for Accelerated Technology Training (CATT)**. This program, which officials report is a major business recruiting tool for the state, provides companies seeking to move to or expand their facilities within the state with a highly visible, single point of entry to receive short-term, custom-designed training for new employees.

CATT, which specializes in pre-employment training, provides a high level of services to employers. The state Department of Commerce and local economic developers and community college staff refer employers to CATT regional coordinators. Companies can also contact CATT directly to request services. These coordinators are located at one or more of the state's technical colleges. CATT staff guide employers through the entire training development and implementation

process and provide in-depth assessment of employer skill needs, including on-site job task analysis with current employees, as well as assistance finding instructors and training facilities. CATT staff also recruit and test all applicants for pre-employment training, allowing employers to select eligible applicants.

CATT coordinates technology-specific training teams that deliver specialized training in areas including semiconductor technology, biotechnology, pharmaceutical technology, and information technology. CATT also focuses on manufacturing technology and distribution technology training. These teams, which include community college faculty, help reduce the time it takes to design and implement a customized training program.

Businesses may choose to conduct training at a centrally located, state-of-the-art, pre-employment training center in Columbia, South Carolina, which is operated by the South Carolina Technical College System in cooperation with Central Carolina Technical College. Businesses may also receive training provided by local community college staff in their company facilities or at a local community college. The state provides these training services at little or no cost to the company.

According to the Central Carolina Technical College Web site, "The Center for Accelerated Technology Training has been a national model since 1961, with more than 40 states and a number of foreign countries sending representatives to study the success of this program."

According to state community college officials, BMW and other large companies have cited the CATT program as *the primary reason* for choosing to locate their businesses in South Carolina. When BMW moved to the state, it created 4,400 new jobs and attracted over 39 supplier companies who brought 7,200 additional jobs to the northwestern part of the state. Many of these new employees received training assistance through CATT.

The Manufacturer, a trade magazine for manufacturing employers, and Expansion Management magazine ranked CATT as one of the nation's best state training programs. The program is best known for its flexibility, and its ability to provide expert guidance to employers, to mobilize a trained workforce very quickly, and to be responsive to the needs of employers.

The CATT Web site states that the program served over 5,000 students in the 2003-2004 school year. It has served over 225,000 students since the program's inception in 1961.

Funding: The state general fund is used to provide most of the funding for the CATT program. Training is provided at little or no cost to qualified employers. The state legislature authorized a budget of \$2.25 million for the program in the 2005/06 fiscal year. This is equivalent to an investment of \$1.13 per worker in the state.

Programs or Initiatives to Develop a Trained Workforce for Key Sectors of the State Economy

The South Carolina Technical College System and the State Department of Commerce work with the Council on Competitiveness to develop unique solutions to address workforce challenges faced by employers in key state industry clusters. For example, officials reported that five community colleges voluntarily collaborated to create a series of automotive programs to support workers in the automotive cluster in the northwestern area of the state based on recommendations from the Council. Officials stated that between two to seven community colleges generally work together to solve workforce issues identified by the Council.

Funding: The myriad initiatives that arise from the work of the South Carolina Council on Competitiveness are paid for with a combination of available funding. Often, Workforce Investment Act monies are invested, though the state has directly funded portions of some initiatives, as have the colleges themselves with the assistance of area employers. Specific funding amounts were not readily available.

Select Advice Offered by Officials for Successfully Deploying Community Colleges in Support of State Economic Development Goals

Officials in South Carolina offered the following words of advice to policymakers in New Jersey to help them plan effective mechanisms for engaging community

college activities to support the state's plans for economic development:

- “Collaboration among colleges should be voluntary and not forced. Get people to recognize that everyone can save resources if community colleges work together.” (Ray, South Carolina Technical College System)
- “Look for the right opportunities. The same approach to similar workforce issues may not work in all industries.” (Merrell, York Technical College)

Resources

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Interviews

Lawrence Ray
Director of Communications
South Carolina Technical College System

Dennis Merrell
President, York Technical College

Clare Morris
Director of Marketing & Communications
South Carolina Department of Commerce

WASHINGTON

Background

At the state level, Washington’s 34 community and technical colleges are governed by the State Board of Community and Technical Colleges. At the local level, a board of five trustees appointed by the governor oversees the day-to-day operations of each college.

State officials from the State Board of Community and Technical Colleges report that despite the existence of the Board, the state’s community college system is largely decentralized. The Board submits a consolidated request for funding from the community colleges to the state legislature, but most operational decisions are made at the local level. In fact, those same state officials stated that many of the state’s current efforts to deploy community colleges in support of state economic goals were inspired by local and regional economic development projects that included community colleges as a primary stakeholder.

There is no one body in charge of ensuring that the state’s community colleges support state economic development goals. However, the State Board of Community and Technical Colleges and the Washington State Department of Community, Trade, and Economic Development have recently begun to organize joint projects and events in order to better align the activities of community colleges with the state’s economic priorities. These events range from informal meetings over coffee breaks,

to well-organized regional “Skills Summits” that bring together representatives from state government, business, and other stakeholder areas to discuss the skill needs of targeted industries. State officials report that the State Board of Community and Technical Colleges is now routinely contacted by the governor’s office to consult on high profile business recruitment and expansion efforts.

According to officials at the State Board of Community and Technical Colleges, the state is involving community colleges in economic development activities concerning the following key growth industries:

- aerospace;
- value-added manufacturing, wood products;
- alternative energy;
- agriculture;
- biotechnology; and
- healthcare.

The state has conducted a study to determine where key industry clusters are located. Based on this research, policymakers are developing a regionally based economic development plan that involves community colleges in supporting the training needs of key industries in the region.

Statewide Economic and Workforce Programs Involving Community Colleges that were Highlighted by State Web sites

Programs to Enhance the Skills of the State's Entire Workforce

According to officials in Washington, the governor's economic development plan supports the use of integrated basic education and occupational skills training at community colleges to improve the skills of the state's workforce. The **I-best program** offers pilot grants to areas that develop integrated basic skills and technical training. Curricula developed through this program provide students with on-the-job training that combines literacy skills with work-based knowledge.

Funding: The governor has requested \$4 million from the state general fund to support this program. If approved, this would represent an investment of \$1.33 per worker in the state.

Washington State's **Running Start Program** allows motivated high school juniors and seniors to apply to take courses for free at the state's 34 community and technical colleges and Washington State, Eastern Washington, and Central Washington universities. Students receive both high school and college credits in the program.

Funding: Community colleges are reimbursed from the state's general fund on a full-time equivalent basis for each student served.

Programs to Meet the Training Needs of Individual Companies

Washington's **Job Skills Program** provides a dollar-for-dollar matching grant to companies to allow them to develop specialized training for their workers. Generally for new and expanding businesses that create a certain number of jobs, these grants allow companies to engage community colleges or other qualified providers to develop and deliver training that is customized to the employer's needs.

The state's **Economic Opportunities and Threats Program** provides state-funded training for incumbent workers at companies that are changing their production processes or otherwise adjusting to market forces. The grants are not aimed specifically at industries the state had targeted for economic development, but state officials report that most of the grants provided do align well with these industries. Once again, employers can choose community colleges to administer the training under these grants.

Finally, the State Board for Community and Technical Colleges maintains the **Workforce College**, an online resource for locating community college training programs in specific occupational areas. The site contains a searchable database of occupational courses offered at all of the state's community colleges. It also allows employers to interact with workforce development staff at local colleges and to request an application for a state-funded grant to train their workers.

Funding: Washington has created a categorical fund to support state-funded workforce training. In 2005, this fund contained \$2.9 million. Overall, this represents an investment of 97 cents per worker in the state.

Programs or Initiatives to Develop a Trained Workforce for Key Sectors of the State Economy

According to state community college officials, Washington’s economic development strategy includes a program to fund the development of **Centers of Excellence** to support key industries at community colleges around the state. According to one state community college official, “The goal of these centers of excellence is to increase systemwide collaboration and cooperation for developing curriculum for [an industry] — they are the ‘go to’ school.”

Described by another official as a “hub and spoke system,” a community college acting as a Center of Excellence for an industry may host a hands-on training or, in some cases, a full product prototype development facility. The college develops and disseminates curricula that teach industry skill requirements and generally acts as the “expert” on the training needs of an industry that is important to the region’s economy.

Funding: State officials have set aside a portion of the general operating funds allocated to community colleges from the state general fund to support a competitive grant program to fund Centers of Excellence. The grant provides seed money

for equipment, faculty, and other resources to set up the center. It does not provide ongoing support. Colleges must work with employers and other funding sources to maintain center facilities and course offerings. Specific funding amounts were not readily available.

Washington’s **High-Demand FTE** program provides community colleges with a higher rate of reimbursement for each student enrolled in a course to prepare them to work in a high-demand occupation or industry. Community colleges must apply to the State Board of Community and Technical Colleges for a grant that provides a set amount that is significantly higher than the state’s normal full-time equivalent per-student reimbursement payment to community colleges. To apply, colleges must demonstrate a local skill gap and employer involvement in training development.

Funding: The funding for the grants is carved out of the existing state formula funding for community colleges and set-aside to promote the development of more community college courses that address employer skill needs. Funding is awarded on a competitive basis. Specific funding amounts were not readily available.

Select Advice Offered by Officials for Successfully Deploying Community Colleges in Support of State Economic Development Goals

Officials in Washington offered the following words of advice to policymakers in New Jersey to help them plan effective mechanisms for engaging community

colleges to support the state's plans for economic development:

- “Work on building relationships, between colleges, between state officials and colleges, between state agencies, with outside partners. Have coffee and doughnuts together.” (Cummins, State Board of Community and Technical Colleges)
- State officials “need a blueprint – a written agreement that assures everyone that all partners are working in the same direction.” (Dollar, Snohomish Economic Development)
- “Coalitions are important – they help deal with the competitive culture. The coalitions formed in Washington have helped partners to define roles and tone down competition between colleges. Employers stay involved in projects because coalitions can deliver more and better training than they could get without the partnerships in place.” (Dollar, Snohomish Economic Development)
- “Fundamentally focus on [employer] *demand, demand, demand*. Colleges tend to focus too much on student demands and not on enough on what employers need. (McFadden, New Vision)
- State officials “should identify some broad areas for investment, such as industry clusters or growth jobs. They should develop a flexible fund that community colleges involved in local partnerships can apply for grants to

establish initiatives that work on a local level [to solve industry workforce challenges].” (O’Hara, President, Edmonds Community College)

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Washington Workforce College Web site:
<http://www.workforcecollege.com/about.asp>

Interviews

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Washington State Board of Community and
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