



# TRANSFORMING U.S. WORKFORCE DEVELOPMENT POLICIES FOR THE 21st CENTURY

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# **Transforming U.S. Workforce Development Policies for the 21st Century**

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## **Part 2**

# **Redesigning Workforce Development Strategies**

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## **Promising Practices of Community Colleges in the New Age of Workforce Development**

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The impact of the Great Recession significantly changed many institutions, including community colleges. This was especially true in the area of workforce development. As the economy slowly improves and companies begin hiring in larger numbers, successful community colleges are adjusting both the substance of their programs and their processes of delivery. This is resulting in the emergence of a different workforce development practice for community colleges, with implications for the overall workforce development system in the United States. In this brief chapter, I examine changes resulting from the Great Recession and their impact on the large community colleges located in many manufacturing centers in the United States.

There are more than 1,200 community colleges in the United States, most of which are governed through a combination of state laws and local elected or appointed trustee boards. Of these, 250 are comprehensive community colleges, whose enrollments exceed 20,000 students and are typically located in urban and suburban centers. This subgroup of community colleges plays a major role with the dominant sectors of the U.S. economy and serves as the center of major community college efforts in workforce development.

This case study focuses on the practical experiences of a group of 20 major community colleges who have worked together for the past four years as the Community College Workforce Consortium. While these represent only a small fraction of the country's community colleges, many of these institutions are considered leaders by their peers, so their initiatives are likely to impact the future of community colleges

as a whole. To understand their significance, it is necessary to examine the delivery of workforce development before 2008.

## **FORMER SYSTEM**

By 2000, most major community colleges had a bifurcated organizational structure related to workforce development. There were traditional vocational or career and technical programs primarily designed to prepare traditional-age students for direct entry into career fields. These programs frequently integrated work-based experience (such as the hospital practicum for nursing students), but also often included traditional liberal arts electives and resulted in an associate's degree. They existed alongside shorter certificate programs that strictly concentrated on subject matter courses. Program enrollments fluctuated in response to local labor market demand, but by 2000 enrollment shifted away from traditional manufacturing and construction programs to business, health career, and information technology programs (U.S. Department of Education 2011).

From the early 1980s, most major community colleges began to also develop units, typically in another part of the institution, focused on providing short-term customized training for local business. Programs were usually developed in response to specific demand for training for incumbent workers, new hires, or start-ups. Many of these efforts were connected to existing state programs that provided funding for job training. These were also the units that interacted with the local workforce board to provide short-term, focused training for their clients. As a result, some community colleges constructed stand-alone "advanced technology centers," and, for a brief time, some community college leaders believed that these activities would provide significant revenue streams for the colleges (Grubb et al. 1997).

The growth of customized training programs at community colleges also influenced their interactions with the formal funding mechanisms of the national Workforce Investment System. While the relationships between the community colleges and the workforce system were too often dominated by state policies on board membership, generally the college's customized training units and local workforce boards pro-

vided a good connection to short-term training that prepared people for available jobs. In many areas, close ties were formed between the workforce board and community college, creating a more robust local workforce system (Fischer 2009).

However, private sector trends were at work even prior to the Great Recession that would recast the landscape. First, companies stepped away from on-the-job training and began to demand candidates who possessed the specific skills sets necessary for the job. They conducted rigorous assessment and evaluation of candidates before hiring. They were suspicious of the formal workforce system and sought out employment service firms, arranging to “try out” workers on a temporary basis and assessing on-the-job performance before deciding who to hire on as a full-time employee (Berger 2013).

Second, by 2000, much of the state-supported funding for training programs began drying up as fiscal challenges rose. Instead of continuing to invest in programs to maintain and build their local workforces, which benefited both business attraction and established firms, many states held back training resources to support special, one-shot projects that they thought would attract new, large plants and create a lot of new jobs.

Third, as state training funds evaporated, the local training market for community colleges began to decline. Many colleges began to convert their technology centers to serve traditional, for-credit programs, losing their capacity for short-term training and education. The emphasis shifted from training incumbent workers to serving the growing numbers of younger college students preparing for entry-level jobs.

## **IMPACT OF THE GREAT RECESSION**

The Great Recession amplified these trends. Customized training and incumbent workforce training completely dried up as companies downsized their workforces and hunkered down in survival mode. This had a dual impact. First, existing pipelines of training demand ended for the colleges. But, additionally, many companies did away with their training units, severing the ties and relationships that had been carefully constructed by the community colleges.

At the same time that corporate ties were evaporating, enrollment in some community college career preparation programs surged. Large numbers of adults, primarily those in manufacturing and construction industries who were feeling the brunt of the recession, were attracted to community college degree programs, in part due to their eligibility for student aid and other funding, looking to gain skills in fields with available jobs. Many of these adults wanted to work in “secure” sectors such as health care and information technology. However, they often lacked basic math and science proficiencies necessary for success in college in these fields. In addition, many of the career programs required two years of course work to qualify for licenses, but these individuals were often looking for immediate entry into the labor market. As a result, courses to obtain a commercial driver’s license or become a certified nursing assistant or teacher’s aide began to proliferate. Typically, these were structured as noncredit programs, and students were heavily dependent on the local workforce boards for funding.

In response to the Great Recession, the Obama administration unleashed resources for education and training programs through the Workforce Investment System. Funds from the Troubled Asset Relief Program (TARP) were channeled through the existing workforce system. Some funding was targeted to new programs in solar energy and “green” construction, while another portion provided the basis for creative state programs that brought community college training to thousands of displaced workers. For example, Michigan introduced No Worker Left Behind, which provided free tuition for up to two years for students pursuing programs in high-demand fields. Approximately 140,000 took part in the program between 2007 and 2010, resulting in significant increases in program completions and new jobs obtained (State of Michigan 2009).

During the Great Recession, community colleges formed a collective response to four major trends shaping modern labor markets. First, the labor market became “privatized,” with large companies working through employment service firms versus publicly advertising positions or utilizing the public workforce boards. So, while community college students could prepare for work, they often lacked the ability to connect their students with those hiring. As a result, community colleges began to play a more active and aggressive role in advocating for students, developing direct relationships with private employment service firms.

Macomb Community College found that these service firms were able to place students more effectively and efficiently in many occupations because they were able to focus on the needs of the industry.

Second, with the shift away from traditional manufacturing jobs, obtaining employment in sustainable wage jobs was now predicated on having credentials, including degrees that required longer-term preparation. However, many displaced workers needed jobs immediately. This meant that the traditional division between noncredit short-term job training programs and credit long-term programs needed to be addressed. Community colleges worked to close the gap between their credit and noncredit programs for an integrated approach. For example, at Macomb Community College, a 16-week noncredit course that prepares students for a certified nursing assistant job was “internally articulated,” so that students receive some college credit that is applicable to the completion of a degree in many of the college’s allied health programs, which include nursing, respiratory therapy, and physical and occupational therapy assistant. The merger of the credit and noncredit course offerings became a new organizational benchmark for colleges that were paying close attention to the workforce needs of their communities.

Third, because not enough employment opportunities existed in most labor markets, community colleges became increasingly involved in direct economic development activities. This was especially true for the colleges in communities where major segments of manufacturing were eliminated. They deepened their entrepreneurial programs to provide direct technical assistance to start-ups through business incubators, applied technology laboratories, and innovation funds. In other cases, community colleges played a role in the development of “green job” industries both through training and support for start-up operations. The colleges also began supporting community partners in developing new industry sector opportunities, as well as finding markets for those new industries (Jacobs 2012).

Fourth, as the recovery began, many large companies were faced with the challenges of restoring their talent pipelines. However, their search for highly skilled workers, including those with four-year technical degrees, was not compatible with community college programs. The HR Policy Association (2011) called for a national effort to deal with the needs of large, multistate employers in the report *Blueprint for*

*Jobs in the 21st Century*, criticizing the nation's current uncoordinated approach to workforce training and education programs that requires formation of separate, independent, and different relationships in each region and state. The association is the lead public policy organization of chief human resources officers of more than 350 companies, representing the largest employers in business in the United States and globally.

Finally, the Obama administration, more than any other presidency, began building policies to promote community college involvement in the economy. In announcing his Community College Initiative in July 2009 at Macomb Community College, the president asserted, "Community colleges are an essential part of our recovery for the present and our prosperity in the future." Community colleges were integrated into many administrative initiatives, such as efforts to increase manufacturing competitiveness or the promotion of green jobs through TARP funding, and the first federal initiative to build community college capacity in workforce development was rolled out through \$2 billion of Trade Adjustment Act dollars. From 2011 to 2014, four \$500 million grant pools were awarded to community colleges through a competitive process that requires connection with local business and industry to fill unmet skill needs in their communities (McCarthy 2014). This year, the administration has proposed a number of new federal initiatives to utilize the capacity of community colleges in areas of demand-driven training and the development of new apprentices.

## **NEW SOLUTIONS**

These changes spurred community colleges to further integrate credit and noncredit programs, often developing new forms of credentials that would satisfy business demands. Moreover, the colleges also began to look beyond the needs of individual firms to industry sectors, employing a long-term view and economic development objectives. One such initiative was the Auto Communities Consortium. Initiated by community colleges in Michigan, Indiana, Ohio, and Iowa, and joined by colleges in Illinois, Wisconsin, Kentucky, and Tennessee, this learning network was established to address challenges faced by manufac-

turing communities. The consortium has now expanded into a national effort, changing its name to the Community College Workforce Consortium (CCWC).

Initially funded by the Joyce and Lumina foundations, and now an organization supported by member dues, the consortium works together to develop activities that help create employment within and outside the auto industry. For most communities, focusing on the auto industry for future employment growth is not realistic. Instead, the imperative is to collaborate with local economic development organizations to design meaningful programs that prepare students for jobs in new industries in emerging sectors.

Two key features of the CCWC are peer learning, a structure based on sector activities versus state boundaries, active leadership by college presidents to support institutional transformation, and fostering linkages with public policy advocates to develop a genuine federal response that builds on community college efforts to help restore the vitality of manufacturing communities in the United States. The consortium is not simply a group of community college workforce trainers, but an organization created by presidents who wish to adapt their institutions to the new realities of the labor market. This means confronting internal institutional issues such as the relationship between credit and noncredit programs, determining how to implement industry-driven credentials into their programs, and committing college resources to promote community economic development.

The consortium format has enabled community colleges to engage with larger employers and their professional associations, leading to a relationship with the HR Policy Association. Together, they have formed a Workforce Development Roundtable, which includes member job postings and advice for students seeking work. In addition, the HR Policy Association members' companies provide "sector snapshots" of long-term workforce needs to CCWC members and work cooperatively toward mutually beneficial changes in federal workforce policies (HR Policy Association 2013).

## CONCLUSION

These developments suggest that community college workforce programs will be stretched in two main directions. First, internally, there will be more integration and alignment of all the workforce programs, both credit and noncredit, under a coordinated institutional structure. Both forms of learning are necessary, given the varied needs of the students and, often, the skill needs of employers. While learning activities will operate under one umbrella, learning outcomes (degrees, certificates, industry certifications, apprenticeship) could be different. The challenge will be to organize these activities into coherent pathways that meet the diverse objectives of students. For those coming to the community college in search of marketable skills, the college will not only teach the skills but also will use their local reputation to promote students in the workplace. This requires closer coordination with employers and a much more sophisticated understanding of local labor markets, specifically, the use of current job postings for a real-time view of local demand, as well as in-depth discussions with corporate human relations executives who are attempting to forecast talent management trends three to five years out. Taking a sector approach to workforce programs translates into more time, energy, and institutional resources devoted to understanding the trends in an industry and responding to them with a variety of programs.

At the same time that community colleges integrate their workforce activities to focus on local labor markets, they will also collaborate with other community colleges to address the needs of large corporations or regional industrial clusters located beyond their service areas or even their states. The CCWC is an example of what will emerge as colleges partner to deal with the workforce needs of specific industrial sectors, with practices developed through the Trade Adjustment Act grants serving as the basis for many of these new collaborations. These grants could be an impetus to spur both the creativity and the capacity of community colleges to perform at new levels that will be able to sustain the programs after the grants vanish.

The experience of community college workforce programs provides the basis for new federal policy toward talent management. For example, the largest federal postsecondary grant program for low-income

students, Pell Grants, is now being considered a part of the workforce development system as well as a means to complete a college degree (College Board 2013). In addition, federal policies to promote a sector strategy of technical innovation need to engage community colleges to provide the technical training programs to provide a workforce that can sustain and expand these innovations. Federal policies toward adult education need to take into account employment as an end goal, not just achievement of a high school General Educational Development.

Finally, it means the federal government will need to develop practical policies that deal with the development of industry certifications and nondegree credentials that are increasingly found in postsecondary learning institutions. How are they to be assessed? How are they linked to work-based learning systems such as apprenticeship? What sort of federal support will they obtain?

Paradoxically, one of the areas where community college involvement is most uncertain is within the traditional Workforce Investment System through the U.S. Department of Labor. For the most part, the current system emerged out of traditional labor market and training structures developed before community colleges became integral in the training of unemployed and incumbent workers. For many federal policymakers, the advantages of community colleges have not been fully appreciated. One important future issue will be the extent to which the community colleges are integrated within a comprehensive system, leveraged to complement the workforce system, or even replace the present system. But even with this question in limbo as the implications of the impending authorization of Workforce Innovation and Opportunity Act, there is no question that community colleges have been emerging since the Great Recession as a major player in the nation's future workforce development system.

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