

From Compliance to Capacity Building: Community Colleges and Federal Workforce Education Policy

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Introduction:

What should be the role of federal workforce policy toward community colleges?¹ On the surface, the question seems to have been already answered—the federal government has been supporting vocational education since the Smith-Hughes Act of 1917. Though the focus of federal involvement in workforce education has shifted and expanded over time, the U.S. Department of Education certainly has a role to play in preparing American workers for the changing demands of the emerging labor market.

The Smith-Hughes Act set the stage for federal involvement in workforce education by providing federal dollars for vocational training. Though it was initially intended to apply only to high school students, after World War II, the legislation’s focus was extended to the postsecondary education sector. Similarly, the law initially aimed to benefit only poor children, but shifted over time to serve a broader constituency as part of a federal economic development policy.

Today, much workforce preparation occurs at community colleges, and so the federal role in workforce development is likely to include interaction with these colleges. Moreover, as the policy, political, and financial landscape changes, it is again time to update the way that the federal government is involved in workforce education. In this paper, we describe the policy levers used by the Department of Education in recent years and argue for a new paradigm, one that privileges capacity-building over compliance. This new direction in federal activities can serve as a mechanism for promoting a more cohesive workforce education system.

¹ As this paper will indicate there are many areas of the federal government which contain policies and programs related to workforce education at community colleges. To deal with all of the most important ones is beyond the scope of this paper. Rather we will concentrate on the workforce programs and policies which are directly under the control of the United States Department of Education, Office of Vocational and Adult Education (OVAE). These programs were some of the first initiated by the federal government and still serve as the major federal workforce education strategy focused only on community colleges.

Barriers to Federal Policy

The development and implementation of federal workforce policy with regard to community colleges faces three major barriers. First, federal funding of these institutions is relatively insignificant. While federal policymakers often refer to community colleges as the nation's public workforce education institutions, in reality sixty percent of their funds come from local or state government revenues, and most of the rest from student tuition. Direct federal expenditures rarely account for 10 percent of the overall budgets at these schools. Community colleges therefore are more responsive toward their local funding sources than to federal government programs. It is not surprising that the most recent assessment of vocational education nationally found that post-secondary Perkins Act funding of community colleges was a very small part of what institutions were spending on workforce education activities (U.S. Department of Education, 2004). The report went on to question how much this federal investment was actually affecting the policies of the institutions. Moreover, most federal revenues and policy are mediated through state plans or local agencies that are required to submit plans for federal approval.

The second barrier to coherent policymaking lies with the fragmentation of federal workforce programs that affect community colleges. Currently there are literally hundreds of training and education programs spread over many different federal agencies and departments. While most studies focus on the Office of Vocational and Adult Education (OVAE) in the Department of Education and on the Employment and Training Administration in the Department of Labor, there are substantial workforce development funds being allocated elsewhere. The Departments of Defense, Energy, Commerce, and Health and Human Services all administer programs that significantly impact community colleges in different ways. In 1999, for example, the responsibility for worker training was found in 22 different offices in the Department of Labor alone and in an additional 14 other federal agencies outside of that department (Lafer, 2002). These programs often have different objectives and missions—and some of them are contradictory to those of the OVAE-administered Perkins Act.

For example, the Department of Energy maintains a large program on energy-related occupations—including support for the development of curriculum and lesson plans. The agency also conducts regular programs for community college staff at some of its research facilities around the United States. The military also conducts a substantial amount of workforce preparation on its installations. The web sites of the United States Army, which are accessible to non-military personnel, encourage the civilian use of their training curriculum (Jacobs, 2004). The goals, methods, funding streams, and accountability requirements for these programs need not align with those of Perkins-funded programs. The number of programs and their dispersion through the federal government make it almost impossible to fashion a consistent federal policy.

The result is that instead of policy influencing practice, the practice “captures” the policymakers. Community colleges lobby for federal funding using the policymaking process to “ear-mark” funds for particular projects usually already underway on college

campuses (Swender and Miller, 2008). A common community college strategy is to “cherry pick” federal programs and policies, using them as sources for funds to support their own interests. In essence, the colleges view the federal government as a large foundation that can be “tapped” for funds for programs that they have already chosen to undertake. Because the funds follow practice, the ability of the OVAE to influence the activities of the institutions becomes more difficult.

A third barrier to a significant federal influence over workforce education is the declining federal role in postsecondary education and training in general. Federal influence is actually shrinking as revenues for domestic programs in general decline. A Washington D.C. policy group, The Workforce Alliance, estimates that since 2002, the President has proposed a cumulative \$2.17 billion (28%) in cuts for Labor Department employment and training programs. Cuts are even deeper in the Department of Education: For adult and vocational education programs, proposed cuts have totaled \$1.48 billion (72%), after adjustment for inflation (Workforce Alliance, 2008). Decreasing monetary support for workforce education makes it more difficult to implement a federal policy toward community colleges, as one of the main levers held by the federal government (funding) becomes less pronounced. One important exception to this trend has been an annual increase in the amount of student aid—which has little direct impact on workforce programs but indirectly may serve to increase the number of students in the program.

Coupled with declining funds is the major thrust of the present administration’s education policies. The signature law has been No Child Left Behind, which focuses on supporting the academic achievement of K-12 students, not those in postsecondary education. For the past five years, the administration’s initial education budget has eliminated Perkins Act spending altogether. Though Congress has reinstated Perkins funds in the final budget appropriations, it has generally done so at stagnant or lower levels than prior years. In addition to minimizing financial support for community college workforce activities, the proposed cuts have sent a strong message that workforce activities are of less import than others, such as K-12 education. Given this emphasis on K-12 education and academic preparation, it is fair to question the federal government’s conception of its role in vocational education (Jacobs and Grubb, 2003; Rubinstein and Mayo, 2007).

These trends and weak policy levers mean that the U.S. Department of Education’s involvement in workforce development has been less influential than it might be. However, having a national workforce education policy is increasingly important (College Board, 2008). Foremost is the need for the United States to design a workforce policy to cope with the increasing challenges of the global economy. International competition from both Europe and Asia is forcing United States companies to re-examine their human resource development practices. While some of this competition is based on low wages and the implementation of new technologies, a good deal of it reflects the fact that other nations possess a more skilled and capable workforce than does the United States (New Commission on the Skills of the American Workforce, 2007).

As a result, the approach taken by federal training and education programs in the past—in which training was implemented in a local context and with an eye toward localized labor

needs—is obsolete. Today, workforce education needs to be implemented in a global context, responsive to international competitors as well as to local conditions (Levy and Murnane, 2004). To do this, local education providers, including community colleges, need government knowledge and support. This means that the federal government, in turn, must pursue a coordinated federal workforce development policy.

Globalization has led to a second reason for increased importance of a coordinated federal workforce policy. Globalization has produced major changes in the demand for occupational education and training. As more low-wage production industries move to other nations, the United States economy is far more connected to knowledge-based industries that stress the use of information technology, research, and administrative skills. One result of this change is a significant loss of middle-class production jobs and a growing inequality of incomes. Moreover, fewer occupational programs that terminate below four-year degrees are useful; the economic value of the one-year certificate program—often the mainstay of community college workforce education—is increasingly questionable.

The growth in employment for individuals with a four-year college degree is making it very important that national goals be set to encourage the acquisition of these college degrees (Carnevale, 2008). There are far more opportunities for a better economic life for all citizens with a more highly educated workforce. This means there must be more concern for broad access to the four-year degree programs for all workers.

Workforce education at the community college can be central to addressing this issue. It has been long recognized that community colleges are institutions that attract more low-skilled and disabled students and new immigrants. These are precisely the people who would benefit from workforce programs. If there is a “public good” in the promotion of community colleges, then there should be federal workforce policies aiming to close the income and equality gaps between those with access to higher education and those who do not have access (Mellow and Heelan, 2008). This needs to be expressed forcefully by federal policy.

This remainder of this paper will argue there is a significant role for federal workforce preparation efforts with regard to community colleges. That role should be to enhance the capacity of the colleges to undertake workforce efforts in order to bring about greater economic growth for the nation and increase the standard of living for all citizens. While this discussion will concentrate on the workforce education programs at OVAE, many of the general comments apply to other federal programs as well.

Two Approaches to Federal Involvement: Compliance vs. Capacity Building

The Perkins Model: Compliance

There are two general approaches to the implementation of federal government workforce education dealing with community colleges. Both can play important roles and often are connected in the same legislation or federal rule. The first approach, and the

one used most frequently by the federal government in current workforce education efforts, is compliance. This approach focuses attention on the extent of implementation by appropriate administrators. Through the regulations, the federal programs intend to mold the activities of grant recipients to conform to some specific policy goal. They provide funds, and then work to ensure those funds are used in the intended ways—that recipients comply with the terms of the funding.

Such a compliance function is a traditional role played by government agencies, and is one attempt to modify community college behavior through providing resources for specific activities. This is the approach taken by OVAE in the implementation of the Perkins Act. The law stipulates what is permissible and establishes a delivery system that governs the planning process and terms of compliance with the authorized function. The Department then monitors the funds and takes action if it is determined the agencies have not acted in compliance with the rules.

While the compliance function has worked well in insuring that federal funds are spent as intended by statute, this approach is not very effective in influencing practices that increase the skills of the American workforce or in creating a coherent system of policies and practices. In focusing on compliance, the Perkins Act creates a system of monitoring that is separate from the overall function of the community college; it encourages (however unintentionally) colleges to separate out—rather than integrate—Perkins activities from other college missions, such as transfer to a 4-year postsecondary institution. Workforce development activities then become isolated from and counterpoised to the broader activities of the college. Given the increasing need for flexibility among education and training programs, establishing separate rules and regulations for workforce education does not serve the needs of the new knowledge economy well.

Moreover, the Perkins Act's focus on compliance leads it to treat all participating institutions in the same way. Regulations cover both community colleges and K-12 institutions and assume that they are part of the same system, therefore holding them to the same standards and accountability measures. In reality, for both students and institutions, this is not the case. For example, in terms of students served, the secondary system has a relatively homogenous group in terms of age and accumulated knowledge base. Secondary students are typically between the ages of 16 and 19 and are living with their families; most are still attending high school full time and have limited or no work experience in the occupation they are learning. By contrast, postsecondary occupational students are extremely diverse in terms of age, previous work experience, family responsibilities, and learning experiences. A postsecondary occupational student might be a female head of household returning to school in a nursing program, or a new immigrant with limited English skills enrolled in a technical training program, or a displaced worker looking to change industries. It is extremely unlikely that the same accountability rules and regulations would be applicable to both high school and postsecondary students. A focus on compliance (rather than process or innovation) does not give federal policies the flexibility to account for student differences and the resulting variation in institutional programs and practices.

Another important drawback of the compliance model is that it focuses solely on student success in skill preparation, but tends not to take into account the impact on critical occupations or the particular workforce needs of the economy. This focus reflects the Department's traditional emphasis on the individual student but fails to account for the "public good" of a federal intervention or for the need for individuals to be prepared for a changing economy. In the current compliance model, there is little to encourage the development of programs that meet overarching needs of the labor market. Compliance models inadvertently encourage institutions to develop programs that upgrade individual students' skills, without an eye toward the needs of the economy. Institutions are deemed "successful" if students gain skills, even if those skills are not in high-demand areas. Preparing a golf course manager is deemed equivalent to preparing a nurse, even though the benefit to society from the latter is far greater.

Moreover, the compliance focus inadvertently encourages institutions to train students narrowly for specific occupations, rather than prepare them with skills that have broad applicability. For example, students learn information technology skills specific to an occupation such as medical administration, rather than gaining a broad understanding of how those skills might also be used in sectors such as manufacturing. Therefore, students lack understanding of the various work processes and skill demands of various economic sectors, and are unable to transfer their skills as a result. This limits the usefulness of their new skills in our fluid, ever-changing economy.

In focusing on compliance, the federal government also implicitly assumes that there is a national set of skill standards that can effectively prepare students for local work. In reality, the United States has regional economies based around the dominant economic sectors of a region. What this suggests is that federal policy should coordinate regional labor preparation activities and provide flexibility to account for regional differences. Other federal agencies such as the Department of Labor encourage state and local variation through the development of local workforce investment boards serving as decisionmakers. The Department of Education tends to downplay such activities in their focus on regulatory compliance. A lack of focus on regional or local needs is one reason why many community colleges work outside the federal system to develop non-credit customized training systems for local business.

This is not to say that compliance issues are unimportant, but pursuing them as OVAE's primary means of implementing federal workforce policy is increasingly ineffective. When federal involvement in workforce preparation began at the turn of the 20th Century, the skill sets required by the mass production manufacturing economy were fairly uniform throughout society. Today, a new system is required, one that emphasizes workforce training as a continuous process, prepares workers with flexible skills, and reflects changing economic priorities. This system must be able to respond to a rapidly shifting economic landscape and must be tied to four-year degree programs as well as to immediate employer needs.

The foregoing suggests that federal priorities should seek to develop local community college capacities to handle the needs of students. There should be less emphasis on establishing rules and funding streams to regulate and finance workforce education and more on developing the ability of local colleges to perform this function. Federal policies should become less a comprehensive set of statutes that detail what funds can be used for what specific purposes and more a means of coaching, mentoring, conducting research, and establishing best practices on how local institutions can undertake these functions.

A New Direction: Capacity Building

A second major perspective on federal policy focuses on capacity building. This approach recognizes the implementation issues discussed above and engages delivery-level organizations in addressing them. It asks about the challenges faced by community colleges in the delivery of workforce education and how Perkins programs can improve the ability of these institutions to conduct this mission. Rather than using policy to regulate, this approach uses policy—funding, incentives, and support—to encourage institutions to innovate.

This type of policy makes sense for the federal government, given the shift in workforce needs discussed throughout this paper. One major challenge for community colleges is improving their programs to enhance their role in creating the national infrastructure for the development of a skilled competitive workforce, and the federal government should help them enact programs that maximize this behavior.

Shifting from compliance to capacity is not simple, of course. There are procedural and substantive issues related to federal capacity building in workforce education that need to be addressed. First, since there are limited funds, federal policy initiatives must be targeted to maximize returns. Innovation needs to be encouraged, but this innovation should be focused on national needs, and it is the federal government's responsibility to help determine those needs and ensure that innovation at the institutional level addresses them. For the community colleges, there must be an emphasis on program improvements such as the ways that federal government funds can be utilized to serve the development of effective and efficient workforce programs. This emphasis might include funding large demonstration projects that test specific learning or programmatic assumptions or creating research or practice consortia in order to build on economies of scale and encourage dissemination.

A larger federal research and development presence would also be helpful in the development of this capacity. Since the United States economy is part of a global system of advanced nations, it is important for workforce education providers to have a good understanding of the competitive position of our human capital efforts compared to those of other nations. There is much to learn from the efforts of other nations. The federal government could play an enormously important role in providing community colleges with information on these other systems and how they impact companies and productivity efforts.

A significant part of this approach is the dissemination of the innovations through community college networks. This would take advantage of the unique federal ability to conduct research and development on a larger scale than could state systems, foundations, or community colleges. It would also begin to develop a more systematic approach to the development of community college practices within the states. In this regard, the federal government could become the supporter of a living laboratory of program improvements for the benefit of the colleges.

In funding projects intended to increase institutional capacity, it is important for the federal government to determine the priorities that the programs are meant to address. To what end should capacity be built? Given the growing income inequality in this country, one possible goal is to promote equality of opportunity—to ensure that the promise of postsecondary workforce education is shared widely among the working poor in the country. This means providing support for programs targeted toward, and effective in improving outcomes for, disadvantaged students and displaced workers. Specifically, it means encouraging programs that provide foundation skills for low-income workers and new immigrants as well as customized programs for private-sector firms that hire these workers. It means encouragement for creative programs at both urban and rural community colleges for new programs that are directed at children of the working poor. The federal role should be to insure that opportunity exists for those who are starting their employment careers without the resources that others in the economy have.

What, specifically, do federal capacity-building initiatives look like? Following are three examples that illustrate how new federal government policies in workforce education could support community colleges in realizing important priorities for the nation. They are not meant to compete with existing state and local priorities; indeed they should complement these efforts.

1. *Encourage life-long occupational learning systems*, implemented by community colleges in conjunction with employers. If the skill sets of the future are to be continually upgraded, then community colleges will need models for a learning system that can combine both school and work. As firms adapt to changing skill demands in the future, the schools for newer workers will need information about those adaptations. In addition, workers may be returning to community colleges for more technical training. The development of this lifelong learning system, which can combine education at the workplace with education at school, can become a vital new part of the American education and training infrastructure. Funds from OVAE can be used to incentivize collaboration between employers and community colleges. This work can tie directly to some of the initiatives of the United States Department of Labor in the training grants awarded to high-performance work organizations.

2. *Support the development of new approaches that combine instruction in foundation skills with occupational skills*, in order to help low-skilled adults enter community colleges. The historic division between adult education and occupational education needs to be eliminated so that the community colleges can serve as means to retrain working adults whose educational skills need upgrading to enable them to work in the knowledge

economy. Doing so will require restructuring community college programs, contextualizing academic content in career pathways, and experimenting with new forms of pedagogy. Most states and individual schools lack the resources to experiment with changes to their learning systems. The federal government has the resources and ability to conduct research and disseminate findings through the institutions. It can also fund demonstration projects, evaluate those projects, and enable institutions to re-design their structures to build on the lessons learned through such demonstrations. In short, the federal government can help colleges re-think the way they provide adult and occupational education by encouraging reforms, funding reforms, and disseminating information about reforms.

3. Foster linkages between two-year and four-year institutions. There is little question that the skills necessary for sustainable jobs in the knowledge economy will require more postsecondary training, and there is no reason to believe this training will stop with an associates degree. It is likely that many of the occupational education and skill requirements of the future will require a four-year degree—which would significantly alter workforce education as we know it today. Community colleges need far greater linkages with four-year institutions in their occupational programs. This might require a significant restructuring of the current curriculum and the exploration of how community colleges may be willing to offer applied baccalaureate degrees and other advanced technical training to students with four year degrees who need new skills to re-enter the workforce. How these transitions are developed is a national issue that poses some interesting questions for the future of all post-secondary education. The federal government can spur institutions at both the two-year and four-year level to begin these conversations by convening meetings to discuss issues surrounding advanced training, funding partnership efforts, and researching the ways that occupational pathways currently do or do not meet the needs of students and the economy.

Conclusion

Federal policy is in part a product of demands raised by citizens and interest groups. In January 2008, the National Commission on Community Colleges, established by the College Board, issued a report that discussed the centrality of community colleges to the future economic well being of the United States. One of the three recommendations of the Commission was a call for a Community College Economic Competitiveness Act that would recognize the community colleges as one of the major institutions to respond to the challenges of the future (National Commission on Community Colleges, 2008). The report's findings reinforce the view that in the area of workforce education, it would be useful for the federal government to refocus its energies away from the compliance model to a capacity-building model.

Given the relatively small amount of money the federal government spends on workforce education, it is challenging to create policies that have wide-ranging influence. Shifting from compliance to capacity-building, however, could increase the effectiveness of federal involvement. Doing so would encourage and support innovations in the delivery of workforce development. It would allow the federal government to test out innovative

approaches and provide research and technical assistance to local and state entities to help them improve their programs. It would also help community colleges realize their potential for improving local workforce outcomes, increasing citizens' quality of life, and creating nationally-streamlined labor markets that can meet the demands of the 21st Century global economy.

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