



# update

FEBRUARY 2011

## Courses to Employment Number 2

### The Price of Persistence: How Nonprofit – Community College Partnerships Manage and Blend Diverse Funding Streams

#### Introduction

The importance of post-secondary education to success in today's economy is beyond debate. For individual workers, post-secondary training or education is critical to securing and maintaining high-quality employment, and for businesses, highly skilled employees are essential for success in today's economy. However, the demographics of our workforce are changing. Labor force data project an aging and more racially and ethnically diverse workforce, with a significant segment that is foreign-born. In addition, skill requirements in our workplaces are evolving, and competition in the global economy is increasing. In this context, new and growing demands are being placed on our post-secondary institutions.

The role of our post-secondary institutions in helping address these challenges and move our economy forward is pivotal, and community colleges in particular are being looked to as key players in improving the skills of the American workforce. In order to fulfill this role, however, community colleges will need to develop new policies, programs and practices that allow them to respond to the changing needs of working students and employers. Colleges will need to work closely with employers to adapt to changing skill needs, workplace norms and new technologies. Community colleges also need to address the needs of students who are frequently juggling work and family responsibilities while seeking a new certificate or degree. As our working population ages

and retirement ages edge upward, the workers of tomorrow are increasingly being drawn from the workforce of today. However, all too many of these workers are low-income or struggling economically and in need of a variety of types of academic and social assistance if they are to succeed in post-secondary education today and be prepared for the jobs of tomorrow.

Today's working learners face a variety of financial, institutional and personal challenges to post-secondary success. Working adult students often experience challenges financing education and difficulties in qualifying for and enrolling in desired occupational programs. Navigating complex post-secondary systems such as admissions, registration and financial aid can prove difficult, and the lack of familiarity with social norms and conventions of post-secondary institutions are also pitfalls many current and future community college students must maneuver in order to be successful. In addition, there are a variety of challenges related to supporting oneself and one's family while in school. Housing, transportation or child-care expenses often require working longer hours than advisable for educational success. Small but unexpected expenses, such as \$100 for books or \$500 for a car repair, can be significant barriers to continuing on an education pathway for low-income adult learners. Making time for classes and studying can be large hurdles as well. The schedules of work, school, child-care providers, bus routes and others need to align in order for many adult students to

stay in school, and all too often a change in one creates a disruption overall, forcing students to abandon their studies. In short, although the employment and earnings benefits to gaining the industry-recognized training, certifications and degrees offered by community colleges can be substantial, the challenges of balancing work, school and family make success in post-secondary education for many low-income adults unlikely.

Recognizing the challenges that low-income adult students face, community colleges and non-profit workforce development providers are coming together to provide a range of academic and personal supports to make training that is linked to credentials and employment opportunities more accessible and achievable. Together, these institutions can provide low-income adults the opportunity to gain skills and education that will lead to better jobs.

Through the Courses to Employment initiative, we have had the opportunity to follow six different nonprofit-community college partnerships over a three-year period. During this time period, we observed how the partnerships packaged different resources and funding streams over time to sustain their efforts, and examined how the unique funding environments in which they operate influenced their programmatic choices. In this publication, we describe our observations about the range of funding sources that are drawn upon in these partnerships, and how these funding sources are leveraged to make the partnership strategy work, illustrating our points with data about program funding source overall, and examples of specific students within partnerships who were supported through a variety of different resources at the local level. We conclude with some lessons for program operators who may be interested in providing similar types of education and employment opportunities and need to know what the issues are in terms of financing that work, as well as for policymakers and investors who would like to encourage and support these types of efforts.

This publication focuses on the financing needed to support the “non-standard” part of the work of community college-nonprofit partnerships, rather than, for example how colleges allocate their state dollars and other standard funding streams. While such funding

is critical, our goal was to look at the work that was unique about the partnership approach, and the additional costs incurred in their focus on addressing barriers to access, persistence and success in post-secondary education and training. Thus, we focus on resources needed to fund program elements such as case management services, emergency supports, special tutoring, pre-college training, financial counseling, motivational support and a wide range of other services that these partnerships provide. In addition, we include how tuition, fees and other costs that would accrue to students are covered by the partnerships. We recognize, however, that the full cost of community college education is not reflected in tuition, and that the proportion of cost covered through tuition revenues varies quite substantially among colleges.

## Research Approach

The discussion in this paper is based primarily on an analysis of the interrelations between financial resources and program activities at the six sites participating in the Courses to Employment initiative. As part of the initiative, all six sites agreed to share full information about their resources and expenses. In addition, availability and structure of funding has been a topic of conversation with various stakeholders during site visits as well as during the cross-site learning meetings that have been a part of this initiative. Further, we interviewed program participants and learned about what services and resources they received as a result of these funding streams, and what they believe was important to their persistence and success (or lack thereof) in their education and training programs. Finally, several sites have worked with us to develop “financial case studies” of individual participants, in which we describe how the range of resources the partners access come together to support the experience of individual participants. Several of these cases are included here under the section labeled “Participant Profiles.” While our analysis is based solely on the experience of the six partnerships participating in Courses to Employment, we believe that our descriptions of funding strategies and challenges will resonate with the experience of many other such partnerships.

## **Courses to Employment: Sectoral Approaches to Community College-Nonprofit Partnerships**

*Courses to Employment is a three-year demonstration project funded by the Charles Stewart Mott Foundation and implemented by The Aspen Institute's Workforce Strategies Initiative (AspenWSI). The project involves six partnerships from around the country that offer low-income participants a range of academic and non-academic supports to help them achieve educational and employment goals related to a particular industry sector. The six participating partnerships are:*

The **Automobile Career Pathways Project in Seattle, Washington**, is a partnership between the Workforce Development Council of Seattle-King County and Shoreline Community College. The partnership offers a short-term certificate, the General Service Technician (GST), which prepares students with low basic skills or limited English for entry-level careers in automotive servicing. GST training involves two semesters of technical training integrated with basic English and math skills followed by a one-semester internship with an automotive services employer. In addition, students receive services from the project's Career Navigator, who accesses a range of resources to help students cover tuition and other academic expenses as well as living expenses such as rent, transportation, child care and other personal needs. The Career Navigator often works with college faculty in arranging internships and employment opportunities following GST, and also helps participants to plan for further education and career advancement after completing the program.

In central Texas, a partnership between **Capital IDEA and Austin Community College** supports students to make educational and employment gains in nursing and allied health fields. Capital IDEA provides students with intensive wrap-around services and case management; financial sponsorship of tuition, fees and books; financial assistance with child care, transportation, and emergency living expenses; and study groups and tutoring. In addition, for students who come to the

program not prepared for level work, Capital IDEA offers an alternative developmental education program that was designed in conjunction with the college, and is operated by the college for Capital IDEA students.

**Carreras en Salud (Careers in Health) in Chicago, Illinois**, is a partnership between the Instituto del Progreso Latino, Association House of Chicago, Wright College Humboldt Park Vocational Education Center and the National Council of La Raza. Carreras en Salud works to address the shortage of bilingual health care providers in the Chicago area and to provide career advancement opportunities to low-income Latino workers. Carreras en Salud is designed as a modularized educational pathway that allows students to enter and exit over time as they make incremental educational advances and gain employment experiences at each step in the career ladder. The educational pathway includes training for four occupations: Certified Nursing Assistant (CNA), Certified Medical Assistant, Licensed Practical Nurse (LPN) and Registered Nurse (RN). To prepare students for these certificate and degree courses, Carreras en Salud offers pre-college training (GED prep, VESL, and a pre-LPN course) at the nonprofit. In addition, participants can access tuition assistance and a range of counseling and asset building services.

The **Flint Healthcare Career Pathways Project in Flint, Michigan**, is a partnership involving Mott Community College and Flint STRIVE. The project helps low-income residents of Genesee County to advance from entry-level and certified nursing assistant jobs into high-demand nursing and allied health positions. The partnership has worked with the public workforce system and other nonprofit organizations in the region to provide students with financial assistance for tuition, emergency assistance funds, case management and motivational support, and other services. The partnership works with students over a multi-year period as they pursue degrees in nursing and allied health.

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The **Logistics/Transportation Academy** in Los Angeles, California, is a broad partnership involving Community Career Development, Inc., Los Angeles Valley College, East Los Angeles College and Los Angeles City College. The Logistics/Transportation Academy prepares low-income adults to enter a range of opportunities related to logistics and transportation. The project includes a bridge program specifically for METRO (the local transit authority) that provides pre-employment training to help fill vacant bus operator positions. The partnership began with a series of industry specific training modules, designed in collaboration with industry partners, to develop steps toward a recognized certificate and/or an associate degree that would prepare individuals for jobs related to activity in the area's port system and transportation and logistics businesses. Due to the downturn in the economy, however, the partnership redesigned programs to prepare individuals for entry-level security jobs and opportunities to advance in that field. Participants have access to intensive case management, assistance with child care,

transportation, tuition waivers, books and other financial needs. Expungement workshops are offered for individuals with criminal backgrounds.

The **NOVA-NVFS Training Futures “Steps to Success”** program in Fairfax County, Virginia, is a partnership between Northern Virginia Family Services and the Northern Virginia Community College (NOVA). Training Futures’ curriculum provides 25 weeks of training in office skills, including a three-week internship. Through a co-enrollment model with NOVA, students are eligible for up to 17 college credits upon completion of the program. The program is designed to support non-traditional students by providing supportive services to respond to a range of family needs, additional classroom time designed to aid students with limited English-language skills, assistance in navigating college enrollment and financial aid processes, and business immersion experience through internships, mentoring and coaching by volunteers from the business community.

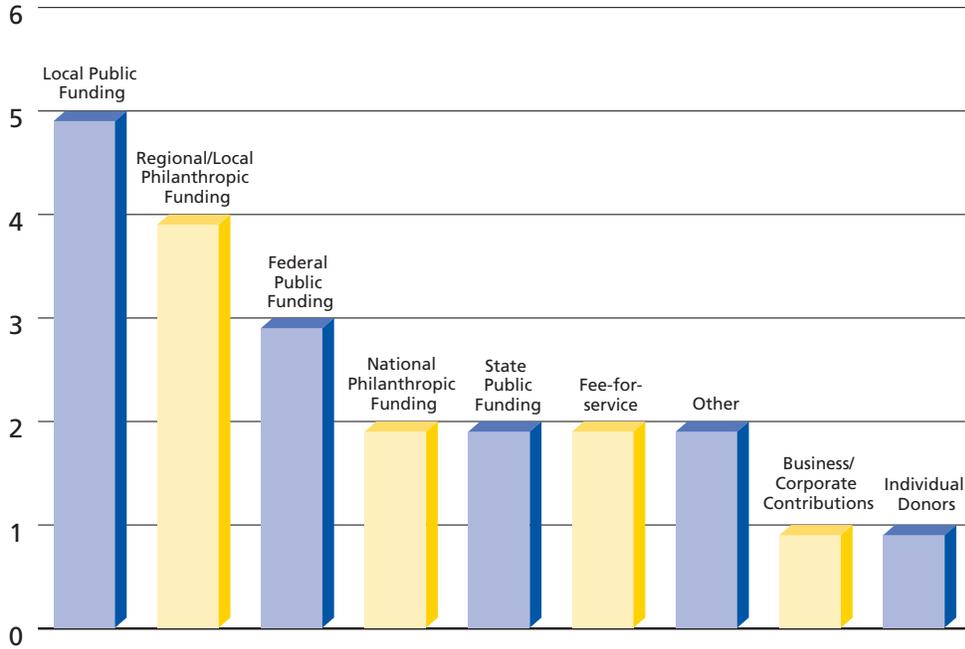
## Overview of Funding Sources

All six partnerships tapped into at least a few and often many different funding streams. The number and variety of funding sources among the sites varied widely from a handful to more than 25 different sources within an annual funding cycle. For most sites, it is necessary to combine a variety of funding sources in order to provide the full complement of services their constituents need to succeed in their educational program and subsequently find employment. For example, programs often raise money from one source to cover training expenses, from

another source to cover case management, and may draw on a few different sources to pay for emergency services. In addition, programs seeking to grow in order to serve more students often find their existing funders are unable to support that growth and that they need additional funders in order to do so.

Graph 1 on the next page shows, from among the six sites, the number of programs that reported using revenue of a particular type in program year 2008. Interestingly, there was not one of these types that all six partnerships reported using in that program year.

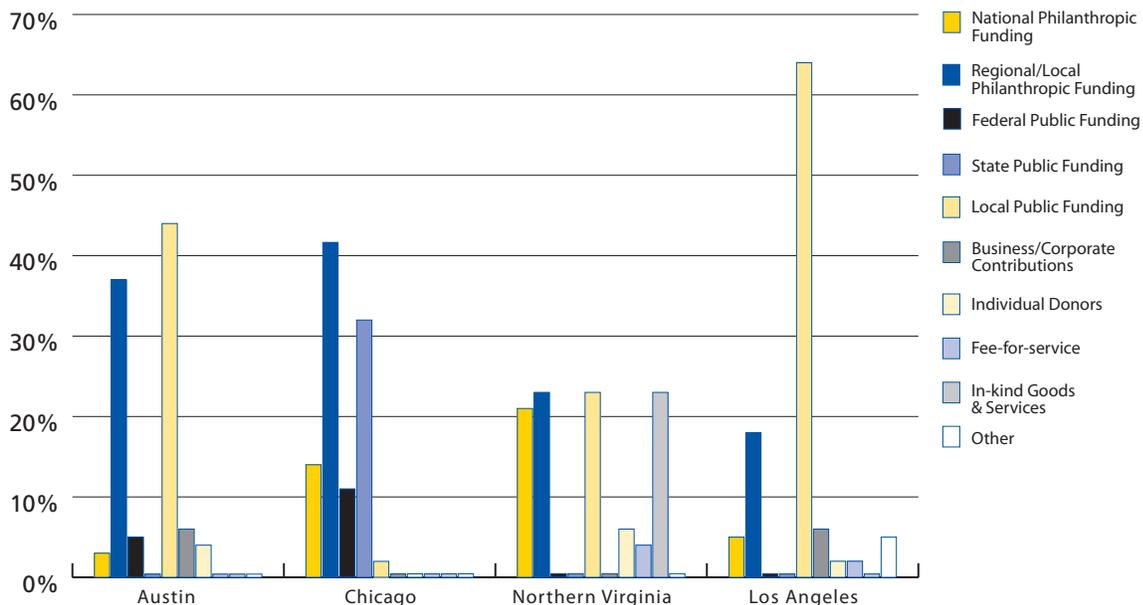
**Graph 1: Number of Courses to Employment Programs Using Funding Source (FY '08)**



To further illustrate these different funding structures across sites, Graph 2 below highlights some differences in the funding structures of four of the six sites participating in the Courses to Employment project. One can see that one site relied more on local government funds in FY '08, while another depended

more on philanthropy. The differences in local funding environments — in the availability of philanthropic funds or the appetite of state and local funders to support these types of efforts — was striking across the sites. This environmental difference is reflected in their different funding structures.

**Graph 2: Program Funding Structures by Types of Funds**



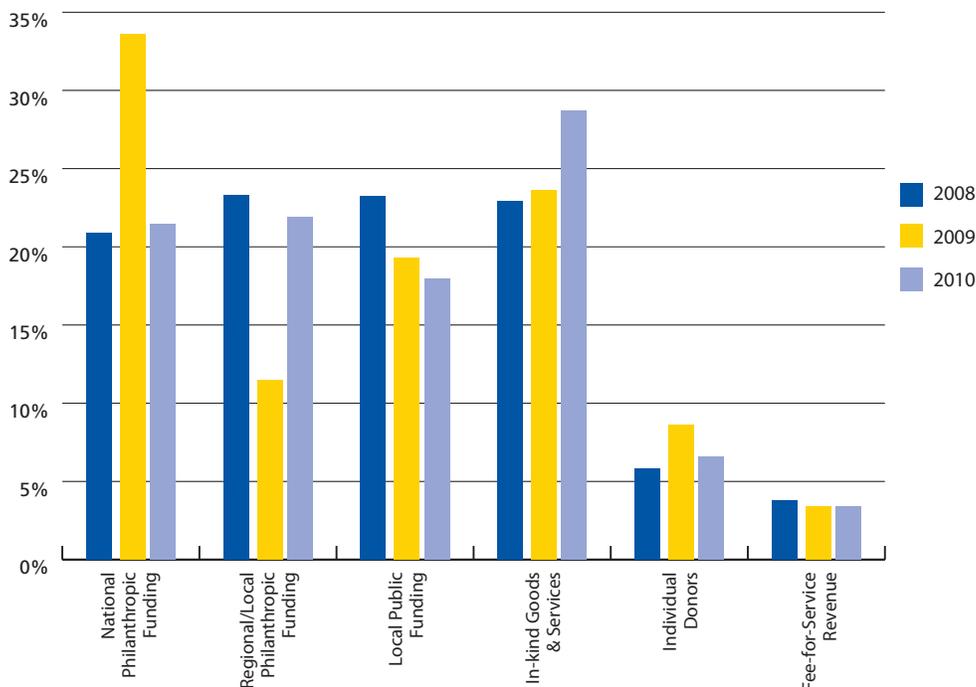
**Chart 1: Number of Funding Sources within Funding Streams FY '08**

	Austin	Chicago	Northern Virginia
National Philanthropic Funding	3	2	3
Regional/Local Philanthropic Funding	11	3	5
Federal Public Funding	3	2	0
Local Public Funding	3	1	4
State Public Funding	1	1	1

While Graph 2 on the previous page shows differences among the sites in terms of the type of entity that is their primary funding source, it does not speak to the number of funders in each of those categories. For some sites, the category local public funding might represent just one funding stream, while for other sites, it could represent contracts and grants from several different political jurisdictions and/or from several different agencies within a political jurisdiction. Thus, there was a good deal of diversity in each site's funding structures within these broader funding categories as well. Chart 1 above shows the number of funding sources three of the programs drew on within a given public or philanthropic funding category for FY '08.

Programs' funding structures also change over time. The ebbs and flows of public and private funding can dramatically increase or decrease the amount of support programs are able to leverage through these means. State and local government budget shortfalls, increased federal support through legislation such as the American Recovery and Reinvestment Act, and changes in a local foundation's endowment all have consequences for programs and are characteristic of the dynamic funding environment within which programs operate. Graph 3 below displays just one program's funding structure and how it changed over the period of the CTE study.

**Graph 3: Training Futures Funding Structure FY 2008-2010**



## Leveraging Multiple Funding Sources

As Graph 3 shows, different funding streams come and go for programs, and the amount available through any one funding source can shift on a yearly basis, often in dramatic fashion. The unpredictable nature of funding cycles makes diversification vital if programs are to maintain a level of consistency in their programming and services. However, developing and coordinating multiple funding streams takes a considerable amount of time and staff resources, representing a core and ongoing activity for these partnerships, but one that is often considered as “overhead” or “indirect” activity by funders. Thus, the capacity to develop, monitor and report on the use of the range of funds needed for effective service is itself one of the more difficult areas of program activity to finance.

To further illustrate the challenge of managing multiple funding streams, it is helpful to consider the variety of restrictions placed on funding. Public and philanthropic investors will naturally have some level of restrictions on how their funds may be used, depending on the goals of their funding as well as how tightly they choose to prescribe how funds may be used to meet those goals. For example, a program may have one public funding source that only supports services for public assistance recipients, another that is for providing services to youth and still another that only supports eligible individuals within a specific geographic area. Similarly, a philanthropic funder may have an interest in supporting training within a particular industry sector or in promoting the welfare of single-parent households, and may restrict their resources to serving these purposes. In addition, public and philanthropic funders may also choose to place restrictions on what type of expenses can be covered with their funds. Restricting the percentage of a grant that can be applied to indirect or overhead expenses is routine among public and philanthropic funders, but other types of restrictions are also common. For example, one program received a grant that could only be used for the purchase of books. Furthermore, public and philanthropic sources often have specific numbers of people that are to be served under a grant or contract, which limits the total amount of money from within that funding stream that can be used to support any one individual.

In addition to garnering financial resources through a variety of grants and contracts, programs also expand their ability to meet students’ needs by generating in-kind support, which may involve partnering with other local organizations that provide needed services, generating in-kind donations of materials, or recruiting volunteers as appropriate. For example, one partnership has an ongoing relationship with a local clothes closet to meet students’ needs for professional attire. Another partnership generated significant investment in space and equipment for training from its employer community. By bringing together multiple funding streams that have different goals, cover different types of expenses and serve different populations as well as coordinating key in-kind resources programs can build their capacity to flexibly respond to changing labor market conditions and students’ unique needs.

## Examples of State Funding

State level funding has been an important source of support for several of the Courses to Employment demonstration projects during our research period. In Michigan and Washington, state legislatures put resources into special initiatives that became critical sources of funding for the Courses to Employment projects. These initiatives are providing flexible dollars programs can use to address many of the multiple barriers their low-income students face.

In Michigan, Mott Community College in Flint has accessed funding provided through state aid programs over time to support low-income students pursuing health care degrees. Both the Michigan Regional Skills Alliances and the No Worker Left Behind initiatives were created by the state to boost economic development and support workers by providing funding for training in high demand fields. The Michigan Regional Skills Alliance initiative, designed to create community-based partnerships to address local workforce and economic development needs, provided funding for Genesee County’s Healthcare Professionals for Michigan’s Future (HPMF) program from 2005-2007. Participants enrolled in HPMF received supportive services through a local faith-based organization as well as assistance for enrolling in college programs in health sciences. When funding for this

program was exhausted, Mott Community College was able to continue to support these students by enrolling them in another state program – No Worker Left Behind (NWLB). NWLB provides workers who are unemployed or under-employed with up to \$10,000 in post-secondary assistance for tuition expenses (including instructional costs, books, materials, counseling and career advising). NWLB funds are fairly flexible and can also support students with other expenses such as child care.

In Washington, state resources also played an important role in the local partnership's ability to support students through an educational pathway and into employment. In particular, the resources of Washington State's Opportunity Grant and the Integrated Basic Education and Skills Training (I-BEST) programs were important to participants in Shoreline Community College's General Service Technician (GST) program, the first step in the Automobile Career Pathways Project. The I-BEST initiative provides funding for classroom teams of English as a Second Language/Adult Basic Education instructors and professional-technical instructors, who co-teach integrated courses of language and vocational skills training. The Opportunity Grant program is a statewide student aid program that provides financial assistance to low-income students participating in training for high-wage, high-demand career pathways. In their original form, Opportunity Grants could be used to pay for a variety of expenses including child care, rent, food, tools and transportation for students. Currently, Opportunity Grants are available to help low-income adults obtain up to 45 credits of post-secondary education. Eligible students may receive funds to cover tuition and fees for up to 45 credits. Students may also receive up to \$1,000 for books and/or supplies per academic year.

Shoreline Community College and its partners at the Workforce Development Council of Seattle-King County and Pacific Associates have used these resources in their work together in the automotive sector. Resources through I-BEST help to fund a unique instructional model for the entry-level course work in automotive, opening this career opportunity

to a diverse set of students, many of whom are low-income when they enroll in the training. Individual student support services are also an important part of the program. These services may include tutoring, career advising, college success classes, emergency child care, and emergency transportation. Through Pacific Associates, the partnership employs a Career Navigator who helps students access resources needed to stay in the GST program and succeed, but also reaches out to graduates to encourage them to continue their studies beyond GST.

In Michigan and Washington, state funding provides critical resources to the programs. In Michigan, state funding was important to supporting a long educational pathway, and program leaders report that state officials encouraged the use of the funds in conjunction with other funding sources in order to meet participant needs over time. In conversations with our program leaders, we've learned that in Flint, Michigan, this policy regarding public funds encouraged local leaders to use Workforce Investment Act (WIA) money for training at a pre-college level. In Austin, Texas, by contrast, WIA funds play a very different role in the local funding context, and, as illustrated in the participant profile below, local leaders are more likely to use WIA money to support training for students who are nearing degree completion. In Washington, the Opportunity Grant program was inspired by the recognition of the importance of successfully completing at least 45 credits.<sup>1</sup> Thus, in the Automotive Pathway in Washington, program leaders help students connect to those resources for support in completing the GST certificate and then the navigator helps them connect to other resources to go further. In this case, students continuing on the automotive pathway for an associate's degree are sponsored by a local employer as they go through the program, spending alternating quarters in class or on the job. Students choosing other paths after GST may be assisted in accessing Pell Grants or other funding sources.

In our research, we also saw evidence that other states are designing innovative funding streams. Toward the end of the Courses to

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<sup>1</sup>See David Prince and Davis Jenkins, *Building Pathway to Success for Low-Skill Adult Students: Lessons for Community College Policy and Practice From a Longitudinal Student Tracking Study*, (Community College Research Center, April 2005). Accessed at [http://www.sbctc.ctc.edu/docs/education/ford\\_bridges/bldg\\_pathways\\_to\\_success\\_for\\_low-skilled\\_adult\\_stdts-brief.pdf](http://www.sbctc.ctc.edu/docs/education/ford_bridges/bldg_pathways_to_success_for_low-skilled_adult_stdts-brief.pdf).

Employment demonstration, Texas adopted a funding structure that will be helpful to partnership efforts in that state. The Jobs and Education for Texans (JET) program will provide \$10 million in grants over two years to nonprofit organizations working to prepare low-income individuals for careers in high-demand fields while also providing another \$5 million in tuition grants to community colleges and technical institutes to use for scholarships for students enrolled in training programs for high-demand occupations.<sup>2</sup> State funds such as JET, and the examples we saw in Michigan and Washington, if structured properly can help programs build the flexibility they need to support achievement and success among their students.

The coordination of a variety of funding sources, which have different objectives, restrictions and reporting requirements, as well as a range of in-kind contributions, is an integral part of the design and management of a service strategy. The capacities different funding streams offer programs can be extensive and allow programs to offer a wide range of supportive services and assistance to students with different barriers. The following participant profiles and stories are illustrative of the ways a few of the partnerships in the CTE project packaged and blended multiple funding streams and resources to improve the likelihood of their students achieving a credential or degree. The role and importance of some of the state level funding initiatives is also revealed through these stories. Finally, these profiles also provide a sense of the range of issues, both personal and academic, that programs may help participants through, both with financial resources as well as through counseling and motivational support.

## Participant Profiles

### *Capital IDEA/ACC Partnership in Health Sciences: The Story of "Michelle"*

Michelle, a married mother with three children, came to Capital IDEA in June 2003. She was working part-time as a Patient Care Technician at a wage of \$12/hour and no benefits. Michelle wanted to move up the health care career ladder and had a goal to become a Registered Nurse (R.N.).

Capital IDEA's initial assessment and testing revealed that Michelle's math skills needed improvement before she would be college ready. To address this issue, she attended and completed Capital IDEA's College Prep Academy from September to December 2003. With stronger math skills in tow, Michelle began taking nursing pre-requisite courses in January 2004. With three children, it was challenging for Michelle to find time to attend classes and study. To help with child-care expenses, Capital IDEA referred her to Texas Child Care Solutions, which deemed her eligible for assistance, but only for the hours that she was in class, leaving her little time to study.

In the spring of that year while Michelle was still taking pre-requisite courses, several personal problems developed. Domestic violence abuse and injuries from a car accident eventually caused her to suspend her studies and her participation with Capital IDEA. During these tumultuous times, Capital IDEA was able to link Michelle to emergency supportive and housing services.

In January 2005, Michelle returned to Austin Community College and Capital IDEA. She set her sights on becoming a Licensed Vocational Nurse (L.V.N.), rather than the R.N. and began preparing for that program. Michelle's lingering health issues, however, contributed to poor performance in classes, which led the college to put Michelle on academic probation. With support, however, she was able to successfully clarify her health issues to the college and have the probationary status rescinded. She proceeded with a divorce from her husband at this time, which led to further need for financial and housing assistance. In December 2005, Michelle earned a CNA certification as an intermediate step to becoming a nurse — a step that also earned her a small pay raise.

Michelle improved her academic profile and gained admittance to the L.V.N. program and was scheduled to begin L.V.N. classes in the fall of 2007. A death in the family caused her to miss starting that semester, but she re-enrolled in January 2008. In May 2009, Michelle graduated from the L.V.N. program. She is employed in a full-time position as an L.V.N., earning \$21/hour and receiving benefits.

<sup>2</sup> For more information, see <http://www.everychanceeverytexas.org/funds/background.php>.

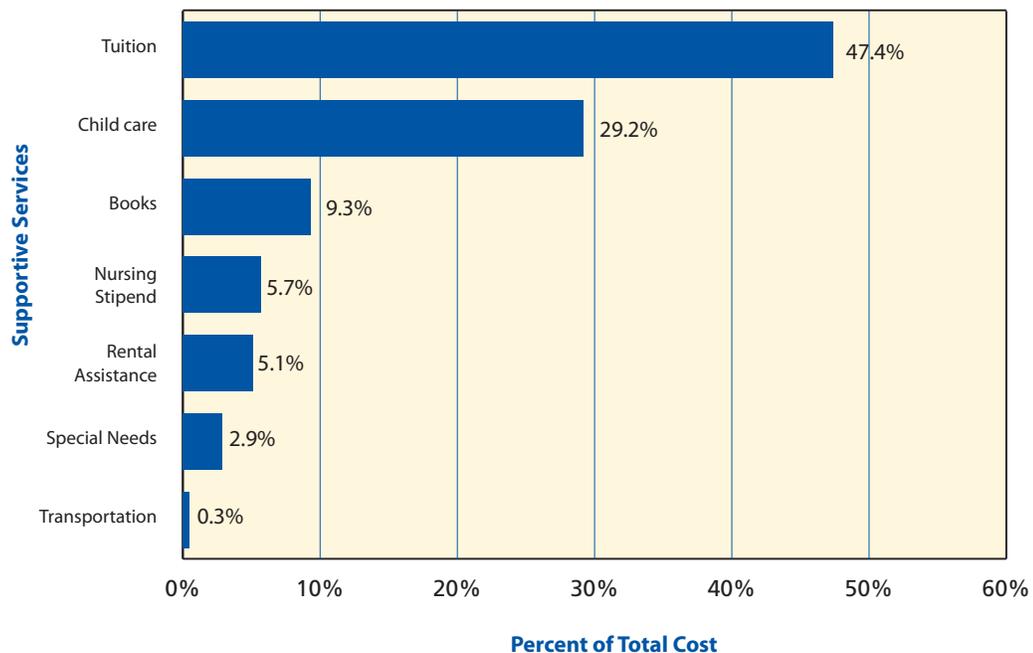
## Analysis and Discussion

Over the course of Michelle's six years with Capital IDEA, the program provided support in the form of tuition, books, child care, rental assistance, transportation assistance, and special needs or emergency assistance. The program also helped Michelle access child care and utilities assistance via referral, and when needed Capital IDEA paid for child-care expenses not covered through the referral program.<sup>3</sup> In total, Capital IDEA spent \$15,692 to cover expenses and help Michelle continue her education during her time as a Capital IDEA-supported student. As shown below, nearly half of this expense was for tuition, and \$8,253 or 53 percent of the funding supported expenses other than tuition over the six-year period. In addition to Capital IDEA funds, during her last three semesters of study, Capital IDEA helped Michelle to co-enroll at the local Worksource agency, which was able to provide support with their Workforce Investment Act funds. By enrolling in this system, \$5,711.92 of local WIA funds could be used to cover Michelle's tuition and transportation expenses. Capital IDEA also provided individual

case management/counseling and structured group counseling sessions to Michelle, the costs for which are not directly attributable to any individual student. Based on a rough division of their total budget, minus direct support expenditures, divided by total annual students enrolled, the annual cost would be approximately \$2,800. This, of course, would be a fully loaded cost reflecting all management, fundraising, and all other organizational infrastructure costs. Graph 4 shows how the total funds to support Michelle were used. Expenses for case management and counseling are not shown.

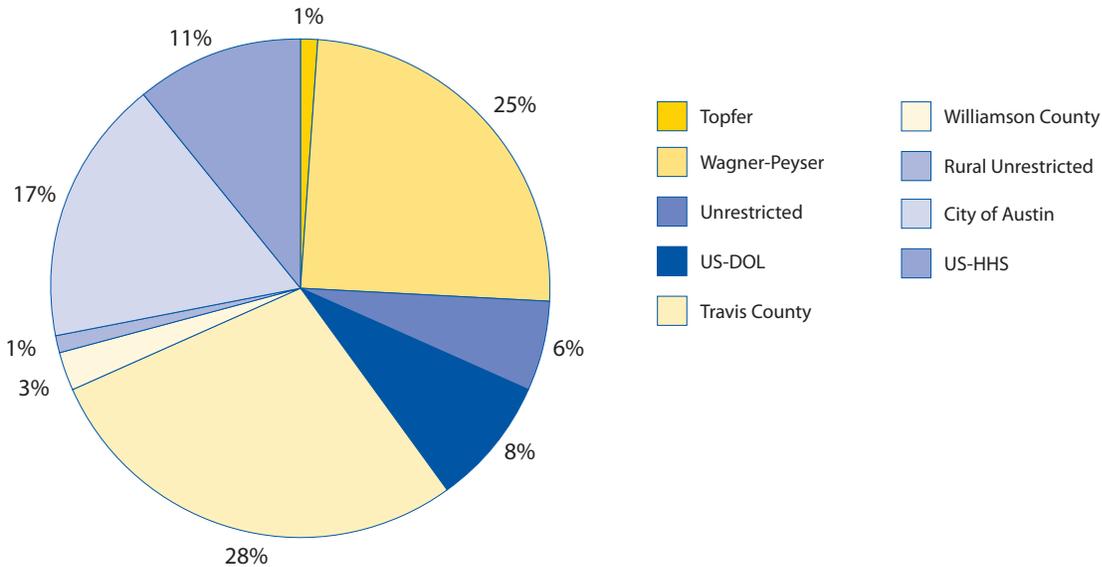
In sum, Capital IDEA drew on nine funding streams to support Michelle over a six-year period. However, multiple funding streams are often needed to pay for any one support. For example, Capital IDEA used seven of the nine funding streams to help pay for Michelle's tuition, five to pay for her books, three for child care, and two of the nine were used to help Michelle pay for transportation. Cobbling together resources in this manner requires a great deal of planning, strategy and management for a program

**Graph 4: Composition of \$15,692 in Support Provided to "Michelle"**



<sup>3</sup> In a number of interviews with Capital IDEA students, students described the challenge of relying only on the child-care vouchers from the state program, with several students noting that only covering class time hours leaves them with little time to study and that child-care providers are reluctant to take children for such a limited number of hours. Additional assistance from Capital IDEA was noted as critical to maintaining a child-care slot.

**Chart 2: Source of Support Leveraged by Capital IDEA to Support "Michelle"**



such as Capital IDEA that serves hundreds of participants annually. In particular, strong accounting software and computer systems as well as competent financial management staff are critical elements. Chart 2 above shows the different funding sources that provided the resources Michelle needed to persist and complete her training. Again, expenses for Michelle’s case management and counseling are not reflected in this breakdown, but those expenses would have been supported through a similar mix of funding.

By blending different funding sources, Capital IDEA was able to continually adjust to meet Michelle’s varying needs and provide a consistent set of supports that allowed Michelle to succeed. Her story is in some ways typical of what CTE partnerships and workforce programs must do to access different funding streams and referral networks to support low-income students as they gain the skills and education they need to gain stable footing in today’s economy. However, in our research with CTE partnerships, we also observed that differences in local and state funding streams and policies create substantially different funding dynamics. In some areas, states funding plays a greater role, and this can be seen in the next story of “Erica.”

***Mott Community College Health Sciences Program: The Story of “Erica”***

In August 2005, Erica had just earned her Certified Nursing Assistant certificate and was working as a C.N.A., earning \$10.25/hour. Erica’s longer-term goal, however was to become a Registered Nurse. She received a local scholarship to continue her studies and Mott Community College was able to enroll Erica in the Health Professionals for Michigan’s Future (HPMF) program to supplement this scholarship. HPMF helped make other financial aid and supportive services available to her through Mott Community College, local nonprofit partners, and the local workforce system.

Part of the support Erica received through the program was life skills training and facilitated peer group support offered by a local nonprofit. Life skills training was provided to students in group settings and helped connect students to resources as well as give them a forum to talk about challenges with one another. Common topics in life skills training include time management, study skills, balancing work and learning, personal finance and budgeting, and other topics.

Erica also received individualized case management and career counseling services. In addition to tuition expenses, Mott Community

Chart 3: Sources of Support for "Erica's" Tuition and Expenses Over Time					
2005	2006	2007	2008	2009	2010
Earned C.N.A. and Enrolled at MCC		Earned Associate's Degree from MCC		Earned Bachelor's Degree in Nursing from U of M	Employed as Registered Nurse
Pell Grants					
	Health Professionals for Michigan's Future				
	University Scholarships				
			No Worker Left Behind		
				C.S. Mott Foundation	

College was able to package resources to offer Erica assistance in paying for books, supplies and transportation expenses. Erica received assistance in paying for immunizations (required for nursing certification) and also licensing and certification fees and dues. In February 2007, Erica's car broke down and she needed significant help to pay for the repairs. Public transportation options in Flint are often not sufficient to manage a challenging work and class schedule, and helping Erica pay for car repairs in a timely manner was key to her ability to maintain her schedule and avoid falling behind at school.

A few months later, in May 2007, Erica completed an Associates of Science Degree in General Studies at Mott Community College, graduating with high honors. She was able to transfer to the University of Michigan, and graduated with honors, earning a Bachelor's Degree in Nursing in December 2009. She was soon hired into a full time nursing position at a local hospital earning a wage of \$24/hour.

### Analysis and Discussion

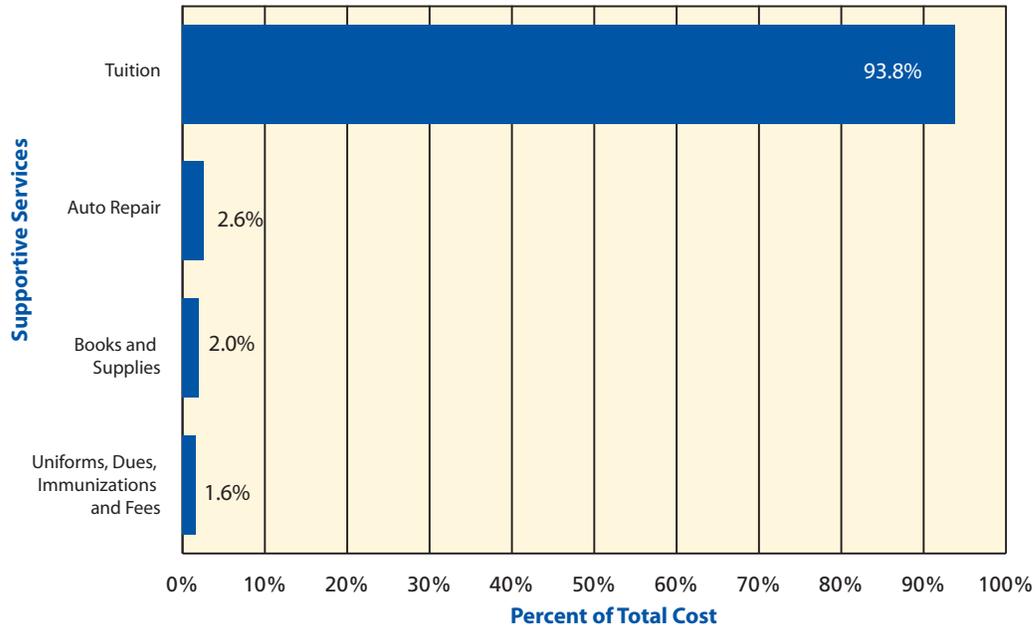
Erica was supported by Mott Community College over a five-year period. During this time, the college navigated changes in the availability of funding from state and private sources. Financial support provided to Erica through MCC came in the form of federal grants and loans, a local scholarship program, two different state-specific workforce funding streams, and the Charles Stewart Mott Foundation. In its capacity as a Workforce Investment Act provider, MCC's Workforce Education Center maintained contact with Erica after she transferred to the University of Michigan, and continued to provide her

with access to financial support throughout her academic journey. Chart 3 above shows the varying sources of funds that helped cover Erica's tuition and expenses during her years of study.

Throughout her studies, Mott Community College and its workforce partners in the region were able to provide Erica with a range of non-academic supports that were also important in Erica's persistence and success. Through local community-based organizations, Erica received life skills training, case management and counseling, and facilitated peer support group sessions. Drawing upon a range of resources, the college packaged financial support not only to help her with tuition, but also to help manage a variety of life needs, including transportation assistance, books and supplies, immunizations (required for nursing certification), and fees and dues. The total in direct support expenses that allowed Erica to achieve her bachelor's degree came to \$37,888, the vast majority of which (94 percent) was for payments to the colleges for tuition, with the remaining 6 percent, or \$2,356, going toward other support services such as books, fees and transportation.

The amount spent on other support services may seem rather insignificant given the large percentage devoted to tuition, however, Erica described these resources as critical to her continuing her education. In other interviews, another Mott Community College student, who had received a \$50 gas card said, "Gas for me is like gold. Going back and forth to school especially on my tight budget is difficult." One student also stated the impact the program had on her when they provided her with \$500 to buy new tires for her car: "I wasn't working at the

**Graph 5: Composition of \$37,888 in Support Provided to "Erica"**

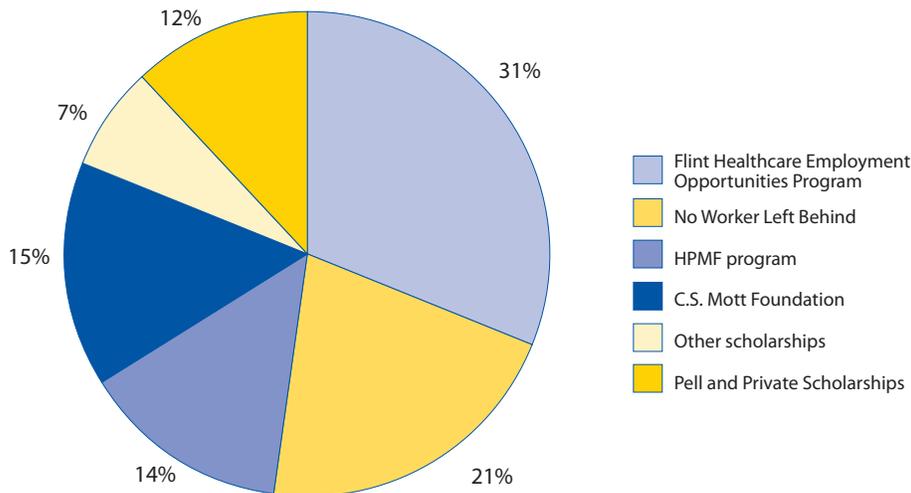


time, and it was winter so it was dangerous going back and forth (to school) so I received assistance with that (new tires), which was helpful.” Graph 5 above shows the breakdown of types of support assistance provided to Erica.

Chart 4 below shows the variety of funding sources that were accessed to cover support, tuition and other expenses related to Erica’s education. It does not include additional financial aid provided to Erica directly through the University of Michigan.

As seen in Chart 4, state-level resources were instrumental in providing Erica the necessary support she needed to complete her education.<sup>4</sup> In the next profile of “Kenneth,” we can see another state-level student aid program’s role in supporting student success, and also learn about the Career Navigator, a unique staff position created by the Seattle partnership to help participants access resources to overcome barriers to persistence and program completion.

**Chart 4: Source of Support Leveraged by Mott Community College to Support "Erica"**



<sup>4</sup> In addition to the HPMF and No Worker Left Behind resources, the Flint Healthcare Employment Opportunities Program was funded in part through the Michigan Regional Skills Alliance, another state resource.

**Shoreline Community College and Workforce Development Council of Seattle-King County General Automobile Service Technician Partnership: The Story of "Kenneth"**

Kenneth, a 25 year-old Asian-American, was unemployed when he entered the General Service Technician program at Shoreline Community College in January 2006. Kenneth had earned his high school diploma, but he'd never been to college before enrolling in the GST program.

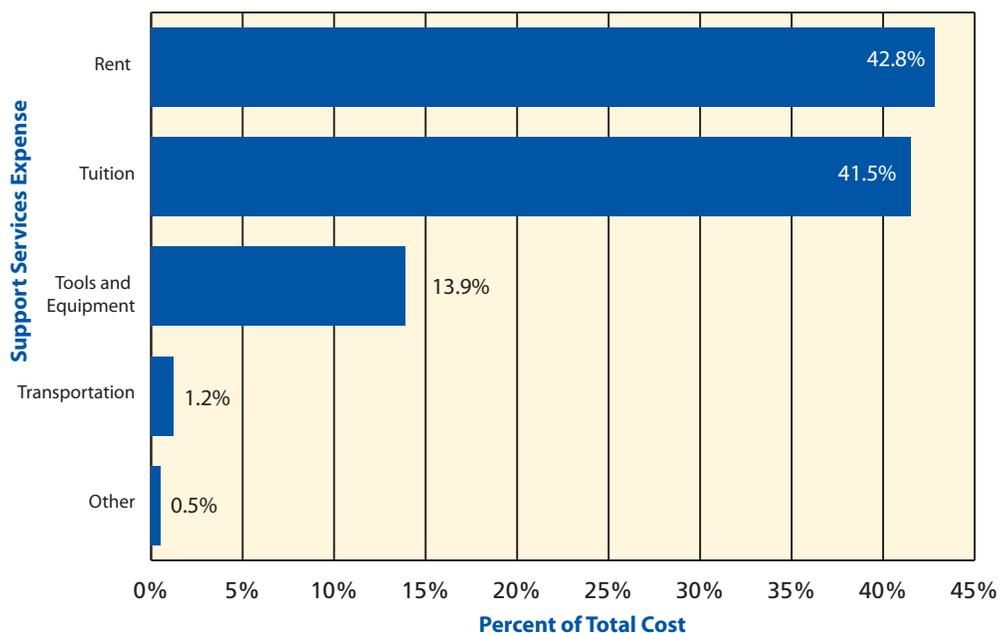
When Kenneth enrolled in the program, he was struggling to pay his rent and basic living expenses. Staff at Shoreline Community College offered Kenneth educational counseling and access to other support resources. Kenneth received tuition assistance as well as a critical grant that would subsidize his living expenses while enrolled in school. Kenneth used these funds to help pay his rent and transportation expenses. Upon graduation from the General Service Technician program in August 2006, Kenneth was hired to work for a local automotive dealer as an Entry Level Auto Technician, a full-time position earning an hourly wage of \$15. Having obtained the GST certificate, he was admitted into an employer-sponsored General Motors advanced training program in 2008.

At the time Kenneth began his employer-sponsored training, the community college and nonprofit partnership were also piloting a new position, a Career Navigator. The Career Navigator position was created to help past and present GST students link to supportive services and pursue more advanced training programs with that continued support. When Kenneth started his employer-sponsored training, he also enrolled to receive supports from the new Career Navigator. With continued supportive services and assistance from the navigator, Kenneth went on to complete the employer-sponsored advanced training program. By the end of 2008, his hourly wage had increased to \$19.83.

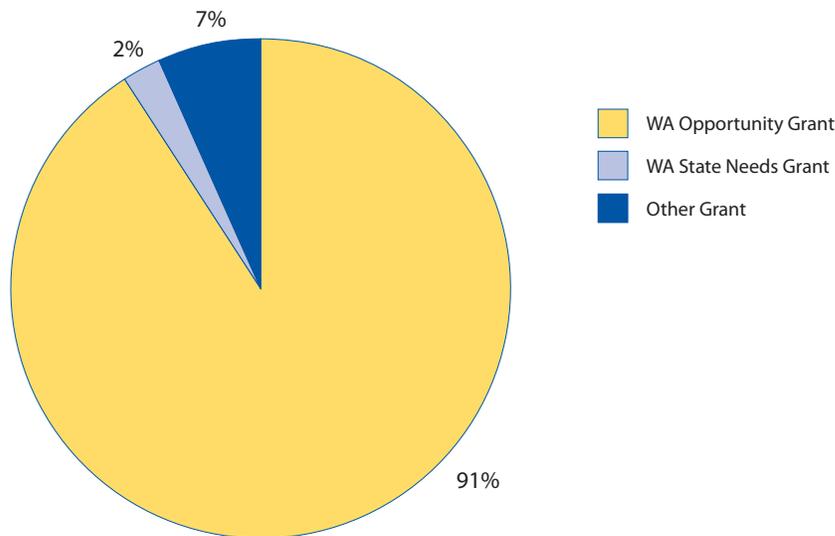
**Analysis and Discussion**

The source of most of the support that Kenneth received came in the form of a Washington State Opportunity Grant described above. Kenneth's grant paid for almost half of his tuition for GST. The grant also helped him to weather many months of full-time study by assisting him with his rent and transportation costs during GST and afterwards during his employer-sponsored training, and helped him transition to the workplace more smoothly by helping him purchase the tools he needed to go to work. Graph 6 below shows the types of support Kenneth received.

**Graph 6: Composition of \$14,436 in Support Provided to "Kenneth"**



**Chart 5: Source of Support Leveraged by CTE Partnership in Seattle in Support of "Kenneth"**



The Opportunity Grant, as stated above, played the primary role in funding Kenneth's education at Shoreline. The remainder of Kenneth's tuition costs was subsidized through private grants and another state grant program (Washington State Need Grant) designed to help the lowest-income undergraduate students pursue degrees, hone skills, or retrain for new careers. The total cost of tuition and other supports provided to Kenneth to help him complete his education was \$14,436. Chart 5 above shows the distribution of these costs, but does not include the cost of the Career Navigator.

Kenneth's ability to take advantage of these funding streams were made possible in large part through the services initially provided by Shoreline staff, and also by the Career Navigator, who helped Kenneth understand how to register and apply for funds and also provided career guidance and encouragement as Kenneth pursued his educational and career goals. The Career Navigator position was an idea that the partners at the college and the workforce board developed with the goal of helping current GST students and graduates to continue their education beyond GST and improve their employment and

earnings. During their participation in Courses to Employment, the Career Navigator position was supported with grant funding overseen by the Aspen Institute that was made available by the Charles Stewart Mott Foundation as part of the Courses to Employment project. Based on the outcomes of this work, the partners decided to maintain the Career Navigator position, and have secured other philanthropic funds to continue this work with GST students and are working to adapt the approach to other sectors.<sup>5</sup>

Based on a rough division of the total budget for the navigator position, minus expenditures for direct student supports, divided by total students served by the navigator, the per student cost over the 28-month period for which data were collected was approximately \$3,225. Students received services for varying amounts of time and of varying intensity during the 28-month period. The per-student cost as calculated does include indirect expenses related to travel and general office, as well as a small amount to cover related administrative, financial and management functions that were paid for through grant funds passed through by the Aspen Institute.

<sup>5</sup> For more on the outcomes of the program please see: Matt Helmer and Amy Blair, *Initial Education and Employment Outcome Findings for Students Enrolled in the General Services Technician Program 2006-2009*, available at <http://www.aspenwsi.org/SeattleOct2010.pdf>.

## Lessons from Community College and Nonprofit Partnerships about Funding a Student's Education and Supportive Services

The structure of funding presented in the initial part of this paper and the subsequent three participant profiles and stories highlight a number of issues partnerships must overcome and address to manage these multiple funding streams in order to serve their students effectively. The issues that arise, while well known by the organizations and partnerships themselves, often receive little attention when it comes to designing funding structures and requirements. We present the following lessons in the hope that by doing so, these partnerships can be better supported.

### **Lesson #1: In order to support the range of services students need to succeed in education and employment, partnerships draw on a variety of different funding streams as well as in-kind resources.**

Adult or independent students served by the Courses to Employment partnerships need a range of services in order to succeed in education and in the labor market. Partnerships help students not only access appropriate education and training, but also with personal supports and coaching that helps them stay in school and succeed. Partnerships also maintain relationships with a range of employers, to ensure that education and training is relevant to the skills employers need, and to help students connect to a network of employers. There is no single source of funding available to support the range of educational, employment and support services these partnerships provide.

Most funding sources that partnerships rely upon focus on one type of service or outcome. Thus, program leaders often seek funding and resources from public and philanthropic funders interested in workforce development, community development, post-secondary education, poverty alleviation, economic development and other goals in order to be able to provide a full range of services to students and maintain productive working relationships

with local employers. Since funding streams associated with these different goals or policy arenas are typically awarded without reference to one another, it is a critical task of the local partnership to weave these sources of funding together in order to support success among their students.

### **Lesson #2: Developing and maintaining a diverse set of funding sources allows partnerships to flexibly respond to changing circumstances and helps partnerships tailor services to better meet students' needs.**

A common theme in our conversations with nonprofit and community college leaders in the Courses to Employment project was the need to be flexible and responsive — to students, to business, and to changing operating conditions. During the course of our work with the sites, which began in late 2007 and continues through early 2011, the partnerships experienced a great deal of change with very challenging shifts in the economic environment, a rapid increase in demand for services, changes in the policy environment, shifting sources of funding, and other changes in their operating context. The need for a funding structure that allows for program flexibility could not have been more apparent as the partnerships sought to navigate these challenges.

A common complaint about a variety of public and philanthropic funding sources, however, is that the requirements associated with the funding can limit an agency's ability to respond to changing needs. For example, if a program is primarily funded by resources that flow through the city and those monies can only be used for city residents, then it may have to turn away individuals from just outside the city, even if they might benefit. Leaders from Courses to Employment partnerships turned that challenge around by accessing a variety of funding sources that have different goals and timelines, thus building flexibility through a diverse funding structure. Programs may use one funding stream to meet the unique needs of single parents, another to serve the residents of a particular zip code, and still another stream to help local businesses provide incumbent worker training to their

employees. By pulling from various parts from different funding systems, programs may serve participants with more comprehensive services and can also potentially serve a wider range of participants and constituents who have a mix of needs and goals.

Program leaders often describe a key part of their job as ensuring a variety of resources are available so that front-line staff working with students can focus on the student and how to work with the student in addressing barriers to education and employment, rather than first determining which funding stream a student is eligible for. One program leader stated that this mix of resources allows staff to “screen-in” participants who are a good fit for their programs rather than “screen out” participants who may be a good fit, but who do not meet a specific funding criteria.

**Lesson #3: Coordinating and managing multiple funding streams is a core program activity for community college-nonprofit partnerships. Building effective financial portfolios requires organizational leadership to be actively engaged in a dynamic funding environment.**

The task of developing these flexible funding structures is a time-consuming and ongoing task for leaders within the Courses to Employment partnerships. Program leaders need to be engaged in conversations with policy makers, philanthropists and administrators of funding sources in order to understand clearly what funding opportunities are available and the expectations associated with different funding opportunities in order to determine not only what funding might be available, but which funding opportunities are a good fit for program goals. Funding environments are also very dynamic and can shift dramatically from one funding cycle to the next. Publicly financed programs can come into being or be terminated in accordance with political cycles; foundation grants can be part of strategic initiatives that last for limited time periods; and all funding is subject to larger economic conditions. Thus, it is an ongoing task for program leaders to keep abreast of changes in the funding climate and to continue to cultivate new sources of support.

In addition to the large funding

environment, the needs of students may also change, requiring a shift in funding mix. During Courses to Employment, a couple of partnerships reported demand for services from higher-skilled individuals than they had served previously, while others noted participants experiencing greater housing challenges. Programs all mentioned having to think more creatively about developing new employer relationships, as a good number of their existing employer customers implemented hiring freezes or staff reductions. As the environment changes, and new needs and opportunities arise, programs adjust their service strategy, and then in turn seek out additional funding or funding from different sources better aligned with their new strategies.

In conversations among the Courses to Employment partnership leaders, however, it was interesting to note that while there was considerable sharing regarding programmatic strategies and ideas for responding to new participant needs, funding strategies were less likely to translate across sites. This is largely because, as described above, the funding landscape looks very different from place to place. For instance, some programs are in geographic regions with a substantial number of foundations that support local programming, while other programs may have little philanthropic infrastructure in their region. Similarly, conversations among program leaders would often indicate that priorities for public monies differed substantially from place to place. Therefore, the specific funding structure that works in one place for one set of participants and one sector or set of businesses may not be appropriate or even attainable in another. Program leaders clearly needed to develop and maintain a set of local relationships that would help them keep in touch with the dynamics of their own funding landscape.

**Lesson #4: Maintaining an adequate infrastructure to support effective fundraising and fund management can be a task for which it is difficult to raise funds.**

Though critical to program success, the work of realizing a flexible funding structure that balances multiple funding sources is a

constant challenge for the CTE sites. These structures can take a considerable amount of time to develop, and require constant attention to maintain. Due to the variability in funding streams, fundraising activities must be ongoing and intense. In order to sustain programs, partnerships must invest time in staying abreast of changes and be able to adapt programs accordingly. A core part of what these partnerships do — coordinating services and resources on behalf of participants — is often considered “overhead” or “indirect” activity by funders. As a result, funding guidelines can pose financing challenges that require continuous agility and creativity on the part of these partnerships.

**Lesson #5: Investments in information management systems and skilled staff are essential for tracking the variety of financial and other data required by various funding streams.**

To make this multiple funding stream scenario work, programs that serve diverse groups of participants match participants to funding on a student-by-student basis. Students are connected to and supported by different funding streams dependent on what their unique needs are, what funding they qualify for, and what funding is available at the time a need is expressed. This individualized approach often entails a thorough assessment of each student’s needs and eligibility criteria, which is followed by the application and enrollment of the student into relevant financial assistance programs. Because front-line staff are the first point of contact with participants, they must be well-versed in listening, record keeping and reporting so that correct information is passed on to those responsible for directing resources to the student. Furthermore, since front-line staff has the most interaction with participants throughout the service period, they also assume a crucial role in data collection and tracking.

Effective fiscal management, particularly of multi-source budgets, requires extensive data collection and tracking of service delivery and program outcomes. Data collection and participant outcome tracking are tasks that usually are shared among various staff

members. Creating streamlined data collection and reporting systems and processes across the organization and even the nonprofit-community college partnership is vital to a program’s ability to meet funders’ reporting requirements. Information management technologies are obviously very important in capturing and storing this data. Because of the complexities involved in tracking and reporting services provided and student outcomes to multiple funders (each with its own set of reporting requirements and formats), appropriate data management systems and staff who are well versed in how to use them are essential.

**Lesson #6: Multi-organizational partnerships that bridge numerous resources and funding streams offer adult learners critical supports and resources they need to succeed. However, building and maintaining these partnerships requires resources that are often not considered by funders and policymakers.**

In the Courses to Employment initiative we identified six partnerships between community colleges and nonprofits in six different sites. As we learned about these partnerships, however, we often found many organizations playing important roles in making the partnerships work. In any given location, it is common to find a number of actors, each with a unique set of expertise and capacities related to the provision of particular educational, training, business and social services. In most regions, distinct organizations have developed over time to specialize in addressing specific needs such as affordable housing, adult literacy training, access to child care or assistance for new immigrants. Each of these actors may have access to different kinds of human, physical and financial resources; employ a distinct set of approaches and strategies based on core competencies; and pertain to different organizational and community networks. All of the partnerships in the CTE group seek to develop relationships with other organizations, outside of those described as core partners, who have the resources and expertise to provide participants with additional services.

*Because some essential services are provided by external partners, the true and complete cost of supporting students may not be reflected in a program budget.* The variation in levels of access to external services from one partnership to another can depend on local factors including the availability and configuration of such services. This complexity makes it problematic to compare costs among partnerships.

Counselors and case managers employed by these partnerships often expend considerable effort to facilitate access by participants to these external services. They must be knowledgeable of the services and competencies offered by a range of providers and understand criteria and processes for receiving assistance. For example, there are often multiple organizations offering emergency utility or food assistance in a given community. Knowing the qualifying criteria to receive this assistance, the schedule for when a participant can access this assistance, and the amount of assistance available, is necessary to providing services to participants that they need to stay in school, succeed in an internship or successfully transition to work. This work of coordinating access to services commands staff time and is another important cost to the partnerships.

To ensure that they are able to connect participants to sources of assistance, programs must engage in ongoing strategic relationship-building with external providers and allocate staff time toward related activities. The expenses of relationship-building may involve hosting and attending stakeholder meetings, maintaining ongoing verbal and e-mail communications, developing and revisiting roles and responsibilities, formalizing partnerships through written agreements, writing reports, and managing cost and revenue-sharing arrangements.

## Final Thoughts

The nonprofit-community college partnerships in the CTE learning group provide a broad range of academic and supportive services to disadvantaged low-income adults. To support this work, these partnerships relate to multiple systems and funding streams to pool resources

and coordinate access to a range of services. Their program budgets are often complex, involving numerous sources of investment that can change dramatically in a given year. There are benefits and challenges to financing the work in this way. By drawing upon multiple funding sources, these programs generally are able to finance a budget that is tailored to the needs of their constituencies, regions and target industries. Ultimately, this ability to create a customized service plan allows for more efficient allocation of resources than any sort of single uniform funding stream could possibly achieve. However, to execute this type of multi-source funding strategy, programs must invest in the work of developing and managing many complexities.

The work of coordinating access to resources and supportive services imposes additional costs on these partnerships. It broadens the scope and complexity of fundraising activities and increases administrative staff time required to properly manage and report on multiple funding sources. And facilitation of multiple supportive service connections on behalf of each student is time-consuming and requires ongoing information gathering about the availability of resources, training of front-line staff and relationship-building with external service providers and program administrators. The partnerships need adequate funding for administration and overhead to finance these essential activities. Yet, often overhead rates and allowances for indirect costs included in government funding streams and grants from national foundations are tightly constrained and provide inadequate levels of support. Investors should consider whether their restrictions on amounts that can be spent on administrative costs are productive for the organization in which they're spending, or whether complementary investments in an organization's infrastructure and capacity might be needed to ensure that these vital functions that facilitate service integration continue in an efficient manner.

The data we have collected throughout the Courses to Employment project all point toward the same conclusion: the benefits of service integration appear worth the costs. In our studies of the six sites participating

in CTE, it appears that the availability of case management and supports encourages persistence and successful completion of degrees and certificates. Considering program budgets and the cost profiles of participants, it is frequently the case that payments for education services such as tuition greatly outweigh the cost of case management and participant supports. However, these investments are necessary in helping low-income adults avoid some of the common pitfalls they face on their way to more education and a better job. A lack of child

care, a broken car, an overdue electric bill, an inability to pay for uniforms, tools or books, or a lack of source of encouragement or motivation that mentors and case managers provide are often not substantial costs, given the detrimental impact these temporary deficiencies have on the long-term success of an adult learner and his/her family. Thus, additional investments to enhance the chances a student makes it through an education pathway seem a modest price to pay to leverage better outcomes from educational investments.



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