Summary: Operations and Performance of the Virginia Community College System

WHAT WE FOUND

A relatively low percentage of community college students attain a credential

Community college students’ ability to earn credentials and degrees is important for the state’s economy and for ensuring that the state and families receive a return on the significant financial investment made in pursuit of a higher education. This study found that just 39 percent of Virginia’s community college students earned a degree or other credential, and this is also the case nationally. Moreover, community college students accumulate nearly a semester’s worth of excess credits by the time they earn a bachelor’s degree.

VCCS’s open enrollment policy is key to expanding access to higher education, but many students who enroll exhibit factors that challenge their ability to succeed. Compared to students at Virginia’s public four-year institutions, community college students are more likely to be older, part-time, low-income, the first in their family to attend college, and require remedial course work in English and math. These circumstances are associated with negative student outcomes, and could inform a system-wide strategy for prioritizing academic support services for at-risk students who could benefit from regular, more comprehensive, and even mandatory services, particularly academic advising.

Many students are not receiving needed advising services

According to the research literature, students who use academic advising are more engaged and more likely to complete a credential. To improve student outcomes, community colleges must provide more intensive—and in some cases, mandatory—academic advising services for students. Colleges should be more strategic about how they structure their advising programs and require mandatory advising for some students.

WHY WE DID THIS STUDY

In 2016 the Virginia General Assembly directed the Joint Legislative Audit and Review Commission (JLARC) to review the Virginia Community College System (VCCS) (HJR 157). JLARC had not reviewed VCCS since 1991, despite notable changes in the system’s operations and mission. The study mandate specifically directs JLARC staff to review the usefulness and affordability of VCCS’s education and training, collaboration with other educational institutions, VCCS’s spending, and the adequacy of the support provided by the VCCS system office.

ABOUT VCCS

VCCS was created 50 years ago to improve Virginians’ access to higher education and prepare them for the workforce. The system comprises 23 separate colleges on 40 individual campuses, with numerous additional off-campus centers. The colleges offer hundreds of associate’s degrees and short- and long-term certificates. VCCS operates statewide but is governed centrally, and is the sixth largest state entity, in terms of total appropriations ($1.7 billion, FY16). In terms of enrollment, VCCS is the state’s largest institution of higher education, with a total enrollment of about 250,000 individual students.
However, Virginia’s community colleges do not have sufficient levels of staff to ensure that students receive the advising services that they need.

**Majority of community college students did not earn a community college credential or bachelor’s degree**

- **Earn some credential**: 15%
  - Short-term certificate: 4%
  - Long-term certificate: 15%
  - Occupational/technical associate’s degree: 6%
  - Transfer-oriented associate’s degree: 23%
  - Bachelor’s degree: 15%

**Earn no credential**: 61%

*Percentages do not total to 100% as some students obtain more than one type of credential*

**SOURCE**: JLARC cohort analysis of data on individual community college students maintained by SCHEV. **NOTE**: Includes students who transferred to four-year institutions and obtained a bachelor’s degree. Students in the JLARC cohort analysis left college before several VCCS student success initiatives were implemented. Student success rates may be higher for a cohort entering community college after these initiatives were begun. Analysis does not include students in non-credit programs, such as the Workforce Credentials Grant program.

**Dual enrollment programs do not appear to consistently save students time or money in their pursuit of bachelor’s degrees**

The dual enrollment program is not clearly reducing the time or resources that students and the state invest in earning higher education credentials. Dual enrollment students take the same amount of time as non-dual enrollment students to earn a bachelor’s degree. The majority of dual enrollment students accumulate more credits than non-dual enrollment students to attain a degree.

**Community colleges do not consistently ensure the quality of dual enrollment courses**

Faculty and staff at some of the state’s four-year institutions expressed concerns about the quality of dual enrollment courses and a reluctance to accept them for credit. There are several recommended quality assurance practices that colleges could use, but none are used consistently. Implementing quality assurance practices could increase the likelihood that dual enrollment credits will be accepted by the state’s four-year institutions.
Transfer process and resources are difficult for students to use

Transfer students who earned a bachelor’s degree took longer and earned more credits than their counterparts who started college in a four-year institution. Transfer agreements between the state’s community colleges and four-year institutions have proliferated, are not kept up to date, and are not sufficiently accessible to students, making them difficult for students to understand and leverage. Streamlining transfer agreements and making them more accessible could improve the likelihood that Virginians who choose to pursue a bachelor’s degree by starting first in community college will save time and money.

Continuing increases in community college tuition and fees may diminish affordability

VCCS is currently an affordable option for Virginians to pursue higher education, and the majority of students do not incur debt to finance their education. However, VCCS tuition and fees have grown from six percent of per capita disposable income to nearly 11 percent in the past 10 years. Ensuring affordability is a critical responsibility of the State Board for Community Colleges, and it should receive more comprehensive information about how proposed increases in tuition and fees will impact affordability, enrollment, and student success.

VCCS campus locations ensure access to college courses and training, but viability of smallest campuses should be examined

VCCS has a relatively efficient structure compared to community college systems in other states, as measured by the number of colleges per capita and enrollments per college. VCCS also appears to have a sufficient number of colleges and campuses to adequately serve the state’s population, and there do not appear to be any colleges or campuses that should be closed or consolidated at the present time. VCCS has no formal process for considering closure or consolidation, but it should develop one to ensure that the need for closure or consolidation can be examined periodically.

WHAT WE RECOMMEND

Legislative action

- Require each public four-year institution to (i) report to the State Council for Higher Education for Virginia (SCHEV) and VCCS on how dual enrollment courses transferred to their programs, (ii) develop a detailed description of the community college course work that will be credited to specific programs, (iii) maintain up-to-date transfer agreements, and (iv) annually provide new and revised agreements to VCCS.

- Require SCHEV to annually identify the college programs with the poorest transfer student outcomes.

- Require VCCS to maintain a single repository for all transfer agreements.
Executive action

- Develop a proposal for identifying high school students who are not prepared for college-level course work and actions that could be taken to improve college readiness.

- Develop standard criteria that colleges can use for identifying students who are at risk of not succeeding in community college and a standard policy for colleges to follow to ensure that the most at-risk students receive proactive, individualized, mandatory academic advising and other academic services.

- Require colleges to use recommended quality assurance practices for dual enrollment courses and disclose more information about the transferability of dual enrollment courses.

- Present additional information to the State Board for Community Colleges to improve the board’s ability to consider the impact of tuition increases on affordability.

- Develop a formal policy and criteria for periodically examining the need to close or consolidate colleges or campuses.

The complete list of recommendations is available on page v.
Recommendations: Operations and Performance of the Virginia Community College System

RECOMMENDATION 1
The Virginia Community College System should develop criteria and guidelines that colleges can use to identify students who are at risk for non-completion and could benefit from more regular, comprehensive support services. (Chapter 2)

RECOMMENDATION 2
The Virginia Community College System and the Virginia Department of Education should develop a proposal for administering the Virginia Placement Test or comparable assessment to high school students. The proposal should include (i) how the test could be administered, in which grades and to which students, (ii) an estimate of the cost of administering the test, and (iii) actions to be taken to improve the college readiness of students who exhibit the need for remediation. The proposal should be submitted to the House Education and Appropriations Committees and Senate Education and Health, and Finance Committees no later than September 1, 2018. (Chapter 2)

RECOMMENDATION 3
The Virginia Community College System should develop a system-wide policy to ensure that at-risk community college students receive proactive, individualized advising services at the most appropriate times. This policy should specify (i) the characteristics of students who should be required to meet with an academic adviser, (ii) the events or circumstances that trigger mandatory adviser meetings, and (iii) the adviser's role in subsequently monitoring student performance and intervening when appropriate. (Chapter 2)

RECOMMENDATION 4
The Virginia Community College System should develop a proposal for improving the capacity of community colleges to provide proactive, individualized, mandatory advising services to students who are at risk for not completing a degree or credential and could benefit from more regular, comprehensive advising services. The proposal should be submitted to the House Education and Appropriations Committees and Senate Education and Health, and Finance Committees no later than September 1, 2018. (Chapter 2)
RECOMMENDATION 5
The Virginia Community College System should establish a policy requiring students to (i) attend orientation before enrolling in courses and (ii) complete the student development course during their first semester at a community college. This requirement should apply to students enrolled in for-credit degree or credential programs who are at risk for non-completion and could benefit from more regular, comprehensive support services. (Chapter 2)

RECOMMENDATION 6
The Virginia Community College System should develop a system-wide strategic plan that focuses exclusively on how the system will support student success. The plan should describe (i) how colleges will identify the factors associated with poor student outcomes and identify students who exhibit those factors, (ii) actionable strategies for mitigating the effects of those factors on student outcomes, (iii) an implementation plan for undertaking specific strategies, and (iv) how the impact of the strategies will be evaluated. The plan should be developed collaboratively with community college staff, including presidents, vice presidents for academic services, faculty members, and non-faculty professional advisers. (Chapter 2)

RECOMMENDATION 7
The General Assembly may wish to include language in the Appropriation Act to require the state’s public four-year institutions of education to report, for dual enrollment students, (i) the total number of dual enrollment credits on students’ transcripts, (ii) the total number of those credits that were accepted for credit by the institutions, and (iii) whether the credits were applied to elective requirements, program requirements, or other requirements. This information should be reported to the State Council of Higher Education for Virginia (SCHEV) and the Virginia Community College System (VCCS) at the end of the 2017-18 academic year and in subsequent years as necessary to help improve the quality of dual enrollment courses and the state’s dual enrollment policies. VCCS and SCHEV should use this information to identify dual enrollment courses that are not routinely accepted for credit. (Chapter 3)

RECOMMENDATION 8
The Virginia Community College System, in coordination with the Virginia Department of Education, should modify the Governing Principles for Dual Enrollment to require the use of nationally recommended practices for dual enrollment programs. Required practices should include (i) periodic review of course materials, to ensure that content and rigor are aligned with the on-campus equivalent course; (ii) recurring, formal evaluation of instructors; and (iii) periodic classroom observation. (Chapter 3)
RECOMMENDATION 9
The Virginia Community College System, in coordination with the Virginia Department of Education, should modify the Governing Principles for Dual Enrollment to require community colleges and school divisions to clearly disclose to students taking these courses, for each dual enrollment course, the equivalent non-dual enrollment course, which academic and career and technical programs will accept the course’s credits, and which community colleges offer those programs. (Chapter 3)

RECOMMENDATION 10
The Virginia Community College System should develop a database for maintaining information on all dual enrollment courses offered in the state. The database should include a course description, the location where it is taught, the sponsoring community college, the specific academic or career and technical programs that will accept the course’s credits, and which community colleges offer those programs. (Chapter 3)

RECOMMENDATION 11
The General Assembly may wish to consider creating a financial assistance grant program to help high school teachers obtain the necessary credentials to teach dual enrollment courses. (Chapter 3)

RECOMMENDATION 12
The Virginia Community College System, in coordination with the Virginia Department of Education, should collect data from each community college and each school division on the expenditures that are directly attributable to the dual enrollment program. This expenditure data should be used to develop a single, statewide dual enrollment funding formula and a tuition and fee structure that is consistent across all courses and colleges and that reflects the costs of operating a high-quality dual enrollment program. (Chapter 3)

RECOMMENDATION 13
The General Assembly may wish to amend the Code of Virginia to require the State Council of Higher Education for Virginia to develop guidelines for the state’s public two- and four-year higher education institutions to follow in developing program maps for transfer pathways. These guidelines should specify (i) the most commonly used transfer pathways for which program maps should be developed and (ii) standard content to be included in each program map. (Chapter 3)

RECOMMENDATION 14
The General Assembly may wish to amend the Code of Virginia to require that each public four-year institution in Virginia develop, in collaboration with the Virginia Community College System, program maps for transfer pathways. The program maps should be consistent with the recommended guidelines to be developed by the State Council of Higher Education for Virginia. (Chapter 3)
RECOMMENDATION 15
The General Assembly may wish to amend § 23.1-908 of the Code of Virginia as follows: (i) to require that the Virginia Community College System (VCCS) develop and maintain an online single repository for all agreements, course equivalency tools, and other informational resources related to transferring from a community college to a public four-year institution; (ii) to require the State Council of Higher Education for Virginia to send to VCCS all the transfer resources that it has collected; and (iii) to require all public four-year institutions to keep their transfer agreements updated and annually send to VCCS all new and revised transfer agreements and other transfer-related resources. (Chapter 3)

RECOMMENDATION 16
The General Assembly may wish to consider amending the Code of Virginia to require that the State Council of Higher Education for Virginia (SCHEV) annually identify the transfer pathways in which transfer students have poorer outcomes, as measured by lower completion rates, longer time to degree, more credits accumulated, and lower course grades. This information should be reported at the end of every academic year, beginning with the 2017-18 academic year, be shared with individual community colleges and four-year institutions, and be used to identify community college courses that are not routinely accepted for credit by the state’s public four-year higher education institutions. (Chapter 3)

RECOMMENDATION 17
The Virginia Community College System should specify in its policy manual the information staff must present to the State Board for Community Colleges when the board is evaluating proposed tuition and fees increases. At a minimum, this information should include specific college-level metrics such as tuition and fees and net price relative to income in each college’s service area. It should also include information about whether federal, state, and institutional financial aid have kept pace with increases in tuition and fees. (Chapter 4)

RECOMMENDATION 18
The system office of the Virginia Community College System should assess the adequacy of staffing in those divisions that most directly affect colleges’ operations, including the divisions of academic services and research and administrative services. The review should also determine whether duties could be more efficiently distributed between supervisors and their direct reports, including whether some supervisory positions could be reclassified as non-supervisory to potentially distribute workload more efficiently. (Chapter 5)
RECOMMENDATION 19
The State Board for Community Colleges should adopt a formal policy to periodically assess the need to close or consolidate community colleges or campuses. The formal policy should specify the roles of the board, the system office, college presidents, college boards, and local governments in decisions to close or consolidate colleges or campuses. Three college-level factors should prompt an assessment: (i) high operating costs per student FTE, with increasing costs as a trend; (ii) low enrollment, with decreasing enrollment as a trend; and (iii) inability to offer core academic programs. As part of the assessment, the board should use four criteria to determine when a college or campus should be closed or consolidated: (a) access to community college programs; (b) colleges’ ability to offer quality, in-demand programs; (c) the potential for net savings; and (d) the impact of closure and consolidation on the local economy. (Chapter 5)

RECOMMENDATION 20
The Virginia General Assembly may wish to amend the Code of Virginia to (i) clarify that Workforce Credentials Grant (WCG) funds be prioritized for, though not limited to, credentials for which there is a documented unmet employer demand and (ii) permit colleges to use a portion of their WCG funds to address the infrastructure or personnel challenges associated with program development or expansion if these challenges cannot be financed through other resources. (Chapter 6)

RECOMMENDATION 21
The Virginia Board for Workforce Development, in collaboration with the Virginia Community College System and the State Council of Higher Education for Virginia, should develop a methodology that can be used by community colleges to identify regional employer demands for occupations and distinguish between demand that is sufficiently met by the existing workforce and demand that is not. The Board should incorporate in the methodology both labor market data and qualitative feedback from employers. (Chapter 6)
6 Community College Workforce Programs

SUMMARY Community colleges are a key provider of workforce training for the state’s employers, and they generally offer academic and career and technical education programs that reflect employers’ workforce needs. Colleges experience challenges in meeting employers’ workforce training needs. Workforce development program leaders at several colleges reported being unable to comprehensively meet employers’ demands for courses or credentials. A program established in 2016 by the General Assembly has the potential to help colleges address employers’ workforce demands, but funding should be better prioritized to ensure that it is used most efficiently and effectively.

The Virginia Community College System (VCCS) is one of the state’s primary providers of workforce training and development programs. All 23 colleges offer for-credit and non-credit programs and courses designed to provide the current and future workforce with new skills and industry-recognized credentials. VCCS is also the state administrator for Title 1 of the federal government’s largest workforce training program, the Workforce Innovation and Opportunity Act.

Assuming a prominent role in workforce development policies and programs is a resource-intensive undertaking. Colleges have expressed the need for additional resources to purchase new equipment and technology, hire faculty, collaborate with employers, and provide financial assistance to students. Workforce development policy will likely become an enduring priority for the state’s policymakers, and resources to fund workforce initiatives will be a recurring need. To ensure that limited resources are used most effectively and efficiently, state funding for these efforts will need to be spent according to clear priorities and objectives.

Colleges’ ability to offer programs that reflect employers’ needs remains a challenge

An increasing number of workforce development responsibilities have been assigned to VCCS along with expectations that the colleges will work closely with their regions’ employers to keep their programs relevant and responsive. VCCS has incorporated workforce development into its overall mission and has dedicated staff, equipment, and other infrastructure to workforce initiatives. For example, the system office and all colleges have a division of faculty and staff dedicated specifically to workforce development initiatives. Each community college provides credit and non-credit programs designed to train students in the skills and competencies needed for specific occupations, and colleges also work with employers to provide training programs that are customized to specific occupational needs.
Previous study identified challenges in some community colleges’ ability to offer programs that reflect employers’ needs

The workforce-oriented programs offered by the state’s community colleges should generally be aligned with employers’ occupational demands to ensure that students who invest time and money in these courses have promising job prospects once they complete their education and training. The 2014 JLARC study *Virginia’s Workforce Development Programs* concluded that community colleges are generally offering education and training for the types of occupations for which there was the greatest employer demand. However, the report did identify some examples of region-specific in-demand occupations for which there were no relevant local community college programs. Examples included specific occupations in health care and transportation for which there was employer demand in southwestern and southside Virginia but for which there were not corresponding local community college program offerings.

The report also found that some community colleges could better incorporate employer input into the development of their courses. It recommended that VCCS develop a system-wide policy requiring that colleges include a minimum number of employers on their curricular advisory committees and that the committees meet at least twice a year to review career and technical education programs. In response to the recommendation, VCCS provided training to deans and chief academic officers at the colleges on best practices for advisory committee management and the use of labor market information in developing and reviewing programs. According to VCCS, most colleges now require that a majority of their advisory committee members be employers, and the committees meet at least twice a year.

Meeting employer demands remains a challenge for some colleges

Overall, 2017 labor market data indicate that all colleges offer programs in the career fields with the greatest statewide demand, such as health care, and colleges are generally offering programs in fields that align with regional employer demands. However, there are a limited number of region-specific high-demand career fields for which local colleges do not offer courses. For example, there is a statewide unmet demand for workers in the finance field, but 13 colleges do not offer relevant programs. This includes colleges that have a demand for finance-related occupations in their own regions. There is also statewide unmet demand for workers in maintenance, repair, and installation occupations, and three colleges do not offer programs in this field, despite evidence of unmet demands in their regions.

Colleges acknowledged being unable to offer programs for all in-demand occupations. Vice presidents for workforce development at ten colleges reported that their colleges are not able to provide all of the workforce programs and credentials that lead to employment in occupations that are in high demand by employers. Examples include an inability to offer programs to train certified nursing assistants, emergency medical technicians, pipefitters, welders, and hospitality managers. Reasons given include insufficient space, equipment, or faculty.
Community colleges have access to funds to help finance the costs of purchasing equipment for workforce development programs. Through the 2016-17 Appropriation Act, the General Assembly allocated $10 million from the Higher Education Equipment Trust Fund to VCCS, and designated this funding for supporting the equipment needs of the system’s workforce development activities.

**Criteria for receiving Workforce Credentials Grant funds are too broad to allow for prioritization**

To help community colleges address gaps between the supply of and demand for workers with specific credentials and skills, the General Assembly established the New Economy Workforce Credentials Grant (WCG) Program in 2016. The program is intended to provide financial assistance to Virginians who elect to pursue a workforce credential and to encourage Virginians to pursue training in fields for which there is an insufficient workforce to meet employers’ demands.

The WCG program has been applied to a wide variety of courses and credentials (Figure 6-1), but some stakeholders have questioned whether the grant funds have been used in a way that is consistent with the legislature’s intent for the program. The funds appear to have been spent on courses and credentials for which there is an established demand by employers, which does partially fulfill the purpose of the program. However, it is less clear that the funds have been prioritized for courses and credentials for which employer demand is unmet by the available workforce, which is a key objective of the program.

**FIGURE 6-1**

WCG-funded programs with highest enrollments span variety of occupations

<table>
<thead>
<tr>
<th>Program</th>
<th>Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comm. Driver’s License (CDL)</td>
<td>1487</td>
</tr>
<tr>
<td>CompTIA A+/Network+/Security+</td>
<td>545</td>
</tr>
<tr>
<td>Welding</td>
<td>498</td>
</tr>
<tr>
<td>Medical Assistant</td>
<td>450</td>
</tr>
<tr>
<td>Certified Nurse Aide (CNA)</td>
<td>365</td>
</tr>
<tr>
<td>Manufacturing Specialist/Technician</td>
<td>277</td>
</tr>
<tr>
<td>Phlebotomy</td>
<td>239</td>
</tr>
<tr>
<td>Pharmacy Technician</td>
<td>207</td>
</tr>
<tr>
<td>Certified Billing and Coding Specialist (CBCS)</td>
<td>164</td>
</tr>
<tr>
<td>Teaching License</td>
<td>118</td>
</tr>
</tbody>
</table>

SOURCE: Data on system-wide enrollment in programs receiving funding from the Workforce Credentials Grant, June 2017.
Eligibility criteria do not prioritize funding for programs that would address documented unmet employer demands

According to the Code of Virginia, the WCG program was established for several purposes (see sidebar), one of which was to create and sustain a supply of credentialed workers for high-demand occupations by addressing the gap between the skills needed by workers and the skills of the available workforce. Legislative intent for the new program was to address worker shortages for high-demand occupations. The Code defines a high-demand occupation as “a discipline or field in which there is a shortage of skilled workers to fill current job vacancies or anticipated additional job openings” and tasks the Virginia Board for Workforce Development with creating a list of Virginia’s high-demand occupations—the Virginia Demand Occupations List. The list is to be revised annually.

The Board’s interpretation of the WCG program did not entirely fulfill the General Assembly’s intent in creating the program. The Board classified 177 different occupations in 11 different fields as “high demand,” and individual colleges were instructed to select programs and credentials to be considered for WCG funding based on this list. The Board used three different criteria to classify occupations and fields as high demand: (1) relevance to the state’s economic development strategy, (2) the occupations’ need for advanced skills, and (3) the projected statewide demand for the occupation. None of these criteria reflect the Code’s definition of a high-demand field, which emphasizes the existence of a worker shortage.

While the Board of Workforce Development is responsible for identifying high-demand occupations to provide guidance to colleges, VCCS is responsible for determining which college programs receive WCG funds, and VCCS’s interpretation of the WCG program did not entirely fulfill the General Assembly’s intent. The data and information that colleges are required to submit to VCCS to qualify their programs to receive WCG funds is insufficient to allow VCCS to determine whether WCG funds would help colleges address existing unmet employer needs. The Code of Virginia stipulates that colleges will use the workforce board’s list of high-demand occupations to determine whether a program should be submitted for consideration of grant funds to the VCCS system office and the State Board for Community Colleges. When colleges apply to VCCS to have a specific credential qualify for WCG funds, they are not explicitly required by VCCS to demonstrate that demand for the credential is actually unmet by the current workforce. Colleges are also not required to report on any measures of student interest in the course, and so funding cannot be prioritized for courses that have lower than desirable enrollments over those that have higher enrollments.

VCCS staff reported that a primary benefit of the WCG is making workforce training and credentialing more affordable for students. VCCS staff further emphasized that the program was the first attempt to provide general funds for non-credit programs, consistent with practices followed in other states. Staff indicated that as long as there...
was evidence that there was employer demand for the credential, it would be eligible for funds. Therefore, non-credit programs for which there was insufficient student enrollment to meet employer demands were not clearly prioritized for WCG funds over programs that had higher, and perhaps sufficient, student enrollment.

**Strategy is needed for prioritizing occupations for which there is regional unmet employer demand**

A strategy is needed to ensure that certain non-credit programs are prioritized for these funds over others. To be consistent with legislative intent, colleges should be required to prioritize—although not limit—the use of WCG funds for non-credit programs for which demand clearly exceeds supply. These programs should also be relevant to the state’s economic development strategy and require advanced skills. Such a prioritization would maximize the extent to which the WCG program is targeted at unmet employer needs and have a positive economic impact. Because there may be a balance of WCG funding available even after priority courses are funded, establishing an order of priority may not ultimately result in a different set of courses or credentials qualifying for WCG funding than is the case now. Still, applying these criteria would ensure that colleges are focused foremost on the priorities of employers in their regions and that they are compelled to measure changes in unmet demand as they routinely update the list of programs that qualify for WCG funds.

One of the challenges of using WCG funds to encourage the expansion of community college programs to address unmet employer demands is that the ability to expand a program may be contingent on having the available space, equipment, or faculty to do so. Currently, it is not clear whether WCG funds are restricted to providing aid to students to encourage enrollment in the programs or whether a portion of the funds could be used to build a college’s capacity to offer a new program. The General Assembly could consider amending the Code to explicitly allow colleges to use a portion of their WCG funds to address the infrastructure or personnel challenges associated with starting or expanding an in-demand program. However, WCG funds should be used for these purposes after other resources have been exhausted, such as the Higher Education Equipment Trust Fund.

**RECOMMENDATION 20**

The Virginia General Assembly may wish to amend the Code of Virginia to (i) clarify that Workforce Credentials Grant (WCG) funds be prioritized for, though not limited to, credentials for which there is a documented unmet employer demand and (ii) permit colleges to use a portion of their WCG funds to address the infrastructure or personnel challenges associated with program development or expansion if these challenges cannot be financed through other resources.
RECOMMENDATION 21
The Virginia Board for Workforce Development, in collaboration with the Virginia Community College System and the State Council of Higher Education for Virginia, should develop a methodology that can be used by community colleges to identify regional employer demands for occupations and distinguish between demand that is sufficiently met by the existing workforce and demand that is not. The Board should incorporate in the methodology both labor market data and qualitative feedback from employers.
Operations and Performance of the Virginia Community College System

Commission Briefing
Study mandate

- JLARC to review the Virginia Community College System (VCCS), including
  - Success and affordability of academic and workforce programs
  - Alignment with K-12 school divisions and four-year institutions
  - System office support for colleges
  - Spending and allocation of funds
Research activities

- Data analysis
  - Student outcomes and debt
  - Tuition and fees
  - College and system office spending
- Structured interviews
  - Staff at community colleges and VCCS system office
  - Staff at four-year institutions and SCHEV
  - K-12 school division staff
- Surveys of community college and VCCS system office staff
- Document and literature reviews
In this presentation

Background
Student success
Dual enrollment program
College transfer policies
Community college affordability
VCCS structure

Workforce development programs
Workforce Credentials Grant (WCG) created to increase labor supply in high-demand fields

- Financial assistance for non-credit workforce credentials
  - Funds intended for training in fields with insufficient workforce
- General Assembly appropriated $12.5M (FY17-FY18)
- WCG courses available at all 23 community colleges
  - Nearly 5,500 students enrolled
Grant funding process does not effectively prioritize occupations with unmet employer demand.
Grant funding process did not evaluate whether employer demands are unmet

- WCG funds were spent on programs with demonstrated demand
- Virginia Board for Workforce development did not consider evidence of worker shortages
- VCCS did not evaluate whether demand was unmet by worker supply
The General Assembly may wish to consider amending the Code of Virginia to clarify that WCG funds be prioritized for credentials with unmet employer demand.

The Virginia Board for Workforce Development should develop a methodology to identify occupations that correspond to these credentials.