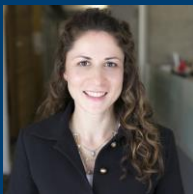


Critical Disciplines in Growing Corporate Training Revenue



Magda Rolfes

Practice Manager

mrolfes@eab.com

202-266-6296

Community College Executive Forum

Managing Your Audio



2

Use Telephone

The screenshot shows a window titled 'Audio' with a minus sign icon in the top left corner. Under the heading 'Audio Mode:', there are two radio button options: 'Use Telephone' (which is selected with a green dot) and 'Use Mic & Speakers'. Below these options, the text 'Dial: +1 800 555 1212' is displayed, followed by 'Access Code: 141-607-114' and '(and additional numbers ..)' in parentheses. At the bottom, a green message states 'You are connected to audio'.

If you select the “use telephone” option, please dial in with the phone number and access code provided.

Use Microphone and Speakers

The screenshot shows a window titled 'Audio' with a minus sign icon in the top left corner. Under the heading 'Audio Mode:', there are two radio button options: 'Use Telephone' and 'Use Mic & Speakers' (which is selected with a green dot). Below these options, there is a status bar containing a microphone icon, the word 'MUTED' in red, a speaker icon, and a series of ten zeros. At the bottom, there is a blue link labeled 'Audio Setup'.

If you select the “mic & speakers” option, please be sure that your speakers/headphones are connected.

Managing Your Screen



Questions:

To ask the presenter a question, please type into the question panel and press send.

Questions panel

The screenshot shows the GoToWebinar interface. At the top is a menu bar with 'File', 'View', and 'Help'. Below it is the 'Audio' panel, which includes 'Audio Mode' with radio buttons for 'Use Telephone' (selected) and 'Use Mic & Speakers'. It also displays 'Dial: +1 800 555 1212', 'Access Code: 227-984-025', and 'Audio PIN: 70'. Below the audio panel is the 'Questions' panel, which features a large text input area and a 'Send' button. At the bottom of the interface is a banner for 'How to Schedule a webinar?' with 'Webinar ID: 202-981-365' and the 'GoToWebinar™' logo.

File View Help

Audio

Audio Mode: ☒ Use Telephone ☐ Use Mic & Speakers

Dial: +1 800 555 1212
Access Code: 227-984-025
Audio PIN: 70
If you're already on the call, press #70# now.
(and [additional numbers ..](#))

Questions

[Enter a question for staff]

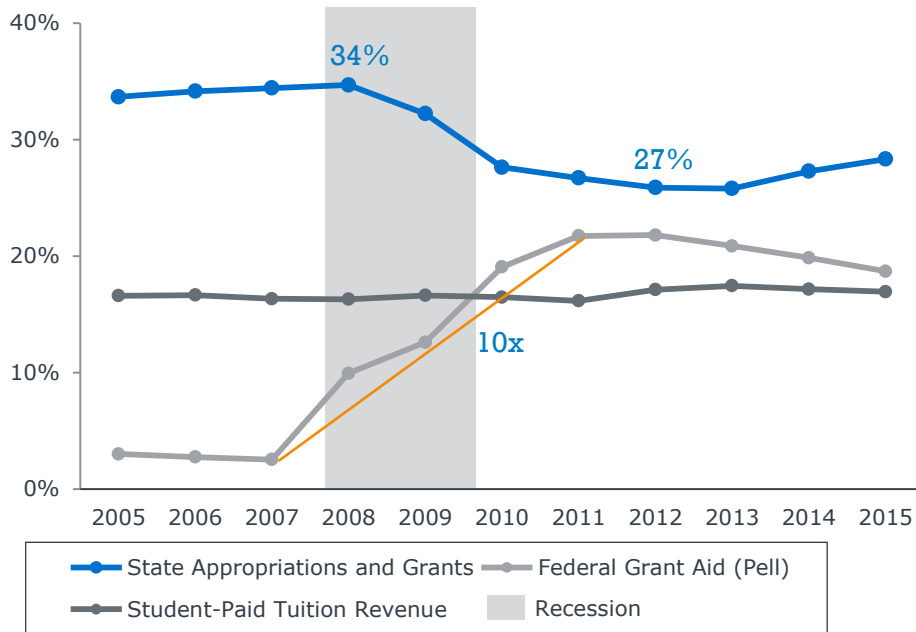
Send

How to Schedule a webinar?
Webinar ID: 202-981-365
GoToWebinar™

The State of Community College Revenue

Is Education a Public Good?

Community College Funding Sources as a Percent of Total Revenue



Questions for 2017

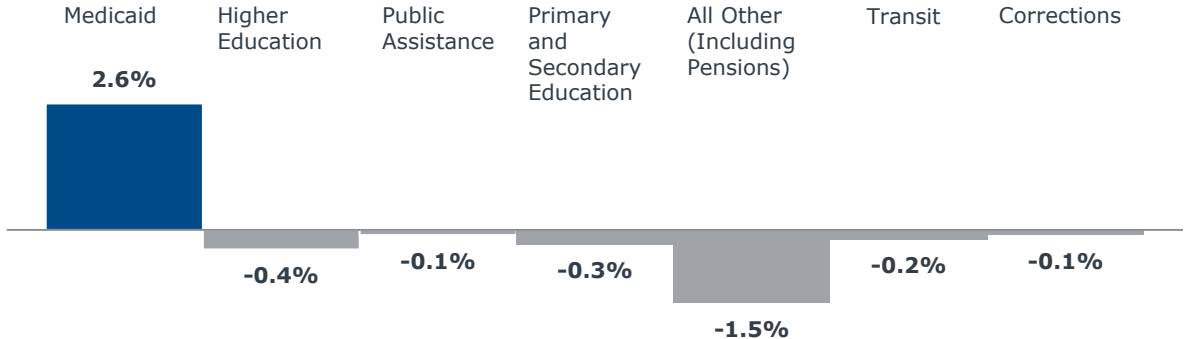
- Is education perceived as a public good in light of broad based state divestment?
- What relative roles should tuition and public funding play in the new higher ed economy?
- How can community colleges better make the case for funding models that reflect their unique and complex mission?

A Growing Disconnect

Higher Education Squeezed Out of State Budgets

Medicaid Crowding Out Higher Education (And Everything Else)

Change in Portion of State Budget by Category, FY2014 to FY2015



A Promise Has Been Made

Work Ready Kentucky Scholarship Program



"...Kentucky is committed to increasing the currently low workforce participation rate by expanding the skilled, competitive workforce necessary to attract new businesses to the state."

Governor Matt Bevin

Kentucky Spending Cuts Persist

↓ 32%

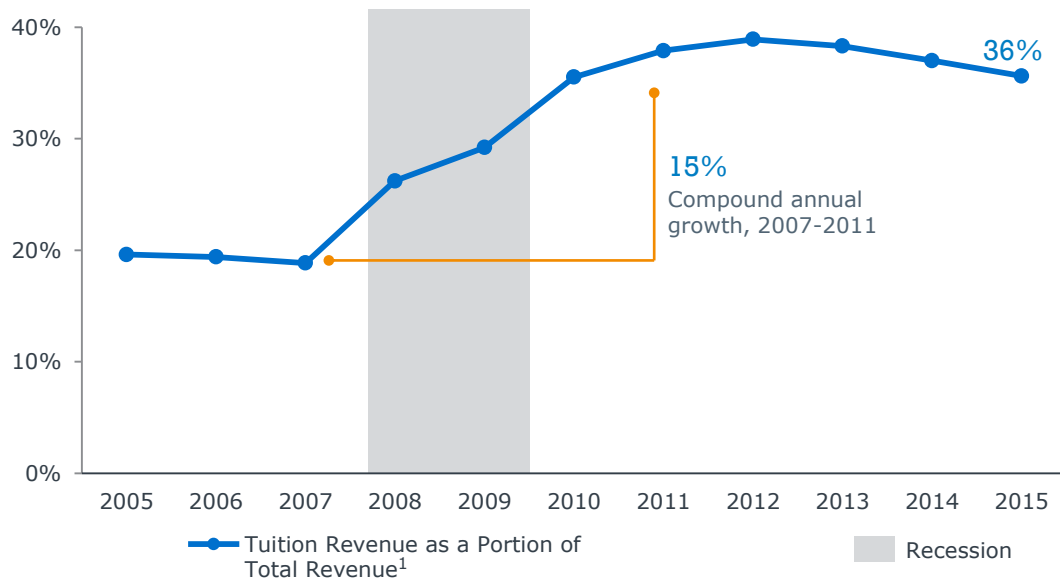
Percentage decrease in per-student funding for Kentucky's public colleges and universities from 2008 levels

Source: State Expenditure Report, National Association of State Budget Officers; "Cuts to Kentucky's Higher Education System Jeopardize Our Economic Future," *Center on Budget and Policy Priorities*, 2016; Watkins, "Bevin Creates College Scholarship Program," *Courier-Journal*, 2016; EAB interviews and analysis.

Tuition-Dependence the New Normal

Tuition Revenue Growth a Post-Recession Necessity

Tuition Revenue Share as a Percent of Total Revenue



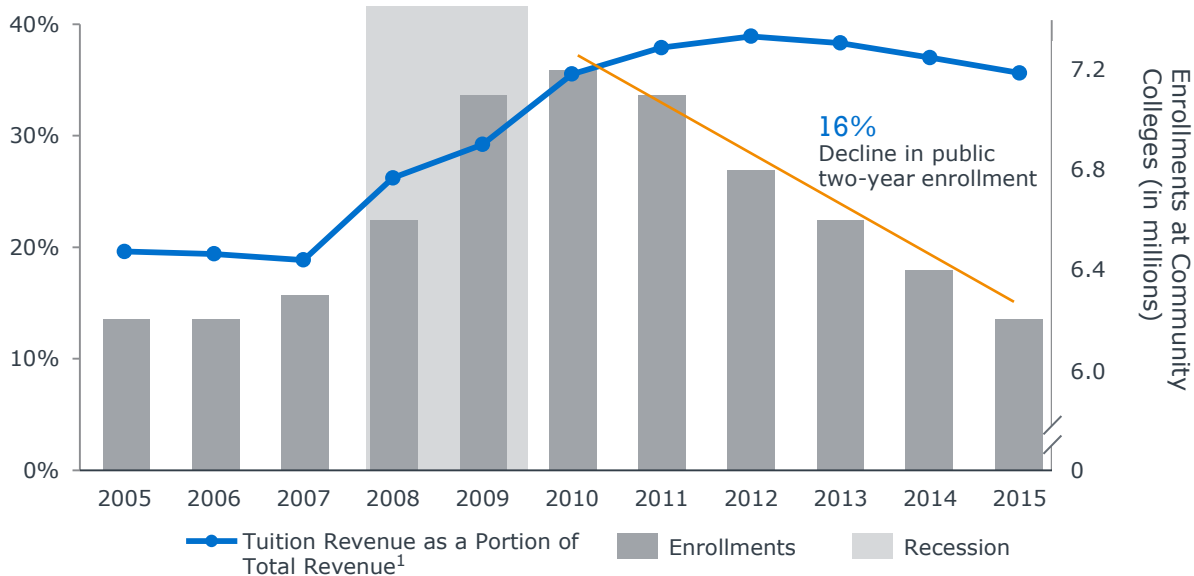
1) Out-of-pocket payments, student loads, and federal grants

An Unsustainable Proposition



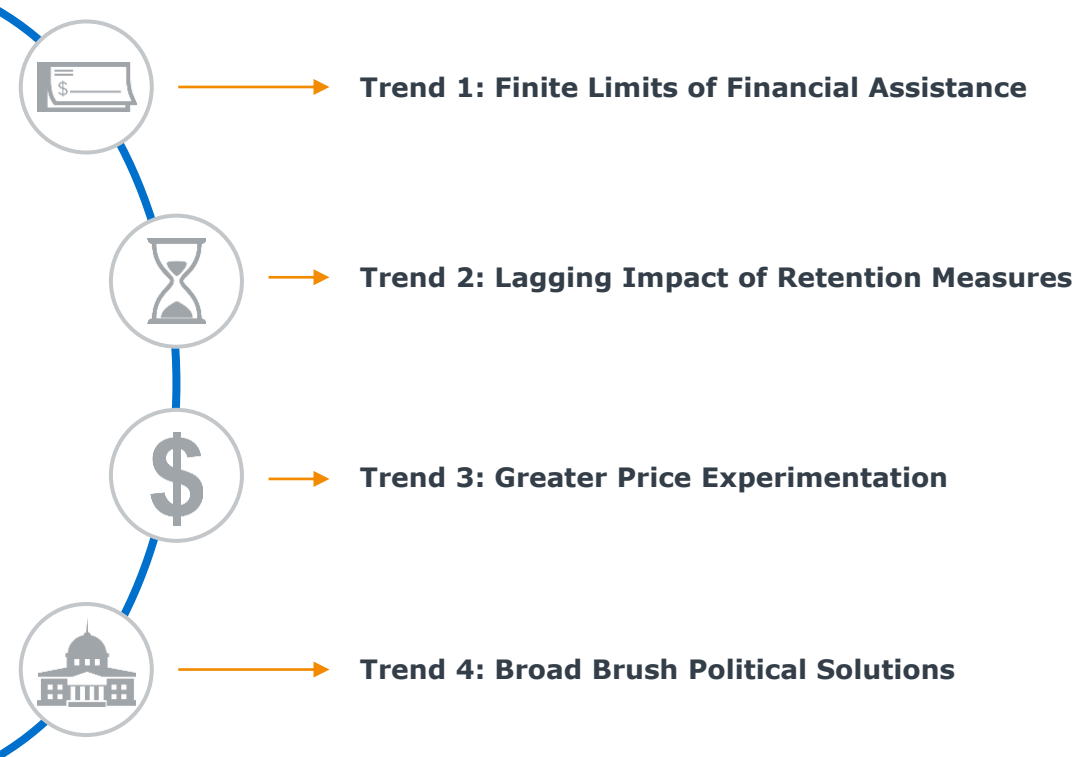
Chasm Grows Between Tuition Revenue Dependence and Enrollments

Tuition Revenue Share as a Portion of Total Revenue and Overall Enrollments



1) Out-of-pocket payments, student loads, and federal grants

Four Trends Solidify Tuition Dependency





Trend 1: Finite Limits of Financial Assistance

Underlying Student Barriers Not Tuition-Centric

Yet Two Dangerous Assumptions Prevail

- 1 Tuition is the only educational expense.
- 2 Most community college students are dependents.

The Stark Reality of Today's Community College Student

67% Percent of community college students who are Pell-eligible

1/3 Community college students experiencing food and/or housing insecurity who are both working and receiving financial aid

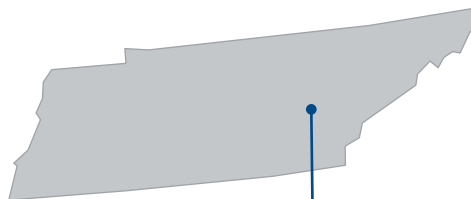
28 Average age of a community college student

Tennessee Shows Promise and Limits

"What you see is a lot of students enrolling who might not otherwise enroll. But you see really low success rates, and things like **students going part-time because they can't afford the books.**"

*Debbie Cochrane, Research Director
The Institute for College Access and Success*

Tennessee Promise Scholarship



Tennessee Promise

- Last-Dollar
- Full-time, continuous enrollment

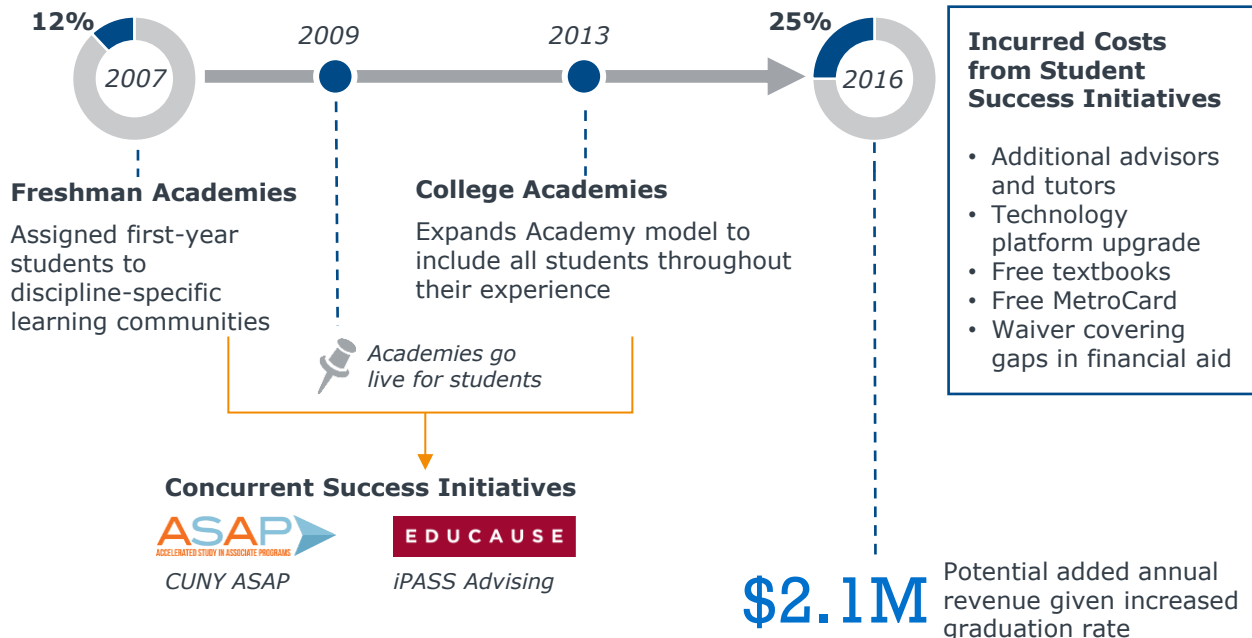
Source: U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics; Goldrick-Rab, Richardson, and Hernandez, "Hungry and Homeless I In College: Results From A National Study Of Basic Needs Insecurity In Higher Education," ACCT, 2017; AACCC, 2016 Fact Sheet; Semuels, "Free Tuition Is Not Enough," *The Atlantic*, 2015; "Free Community College," National Conference of State Legislatures, 2016; EAB interviews and analysis.

Trend 2: Lagging Impact of Retention Measures

Reform Time Frame Out of Sync with Financial Necessity

Student Success Initiatives Gradually Pay Dividends

Graduation Rate Increases Between 2007-2016 Yields Extra Revenue



Trend 3: Greater Price Experimentation

An Increasingly Common Move With Risky Consequences

Bumping Up Price...

State	College/System	Increase
NE	Nebraska State College System	Potentially 9%-11% ¹
LA	Louisiana Community and Technical College System	8%-10%
WY	Wyoming Community Colleges	5.6%
AZ	Yavapai College	5%



...In Absence of State-Funded Model

Louisiana Community College Appropriations as a Portion of Total Revenue and Tuition Growth, 2009-2015



Did Tuition Hike Cause Enrollment Decline, or Vice Versa?



4% Student enrollment decline in Louisiana Community Colleges, 2013-2015

1) Tuition has not yet been increased.
2) Average tuition was \$1,613 in 2009 and \$3,821 in 2015
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Source: Ruggles, "Nebraska's Budget Shortfall Could Lead to Tuition Increases, College Official Warns," *Omaha World-Herald*, 2017; Klamann, "Tuition Increase Coming to Wyoming Community Colleges," *Casper Star Tribune*, 2017; Jernigan, "College Raises Tuition by 5%," *Camp Verde Journal*, 2017; U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics; EAB interviews and analysis.

Trend 4: Broad Brush Political Solutions

Common Policy Responses Exacerbate Funding Imbalance



Divest from Federal Education Funding

\$925M

Reduction in student support funding in the administration's proposed budget



Returning funding authority to the states removes financial support from the education system.



Gainful Employment as a Proxy for Quality

90 days

Delay on Gainful Employment's disclosures and appeals deadline



For-profit colleges can compete more freely, drawing enrollments from community colleges.



Performance-Based Funding Models

39

States adopting some form of performance-based funding



Low-performing and average colleges miss accountability targets, reducing funding.

Source: National Conference of State Legislators, "Performance-Based Funding for Higher Education," July 7, 2015, <http://www.ncsl.org/research/education/performance-funding.aspx>; DeSantis, N, "U.S. Gives Colleges More Time for Appeals Under Gainful-Employment Rule," *The Chronicle of Higher Education*, March 6, 2017; Executive Office of the President of the United States, "America First: A Budget Blueprint to Make America Great Again," March 16, 2017; EAB interviews and analysis.

It May Get Worse Before It Gets Better

Death Spiral of Tuition Dependence in an Enrollment Deficient Market

Four Trends Toward Tuition Dependency...

Trend 1

Finite Limits of Financial Assistance

Trend 2

Lagging Impact of Retention Measures

Trend 3

Price Experimentation

Trend 4

Broad Brush Political Solutions

...Lead Us into the Spiral

Recession

Reduced Funding

Graduation Rate Declines

Post-Recession

Tuition Increases

Accountability Measures

Today

Unmet Targets

Reduced Funding

What Got Us Here Won't Get Us There

Colleges Scour for Sustainability with Business Model Innovation

Eight Most-Cited Strategies by Presidents to Promote Financial Sustainability

Creating and Deepening Partnerships

- 1** Increase corporate sponsorship of training, apprenticeships, and equipment
- 2** Grow fundraising presence among local corporate sponsors
- 3** Tap into workforce development grants
- 4** Leverage space assets

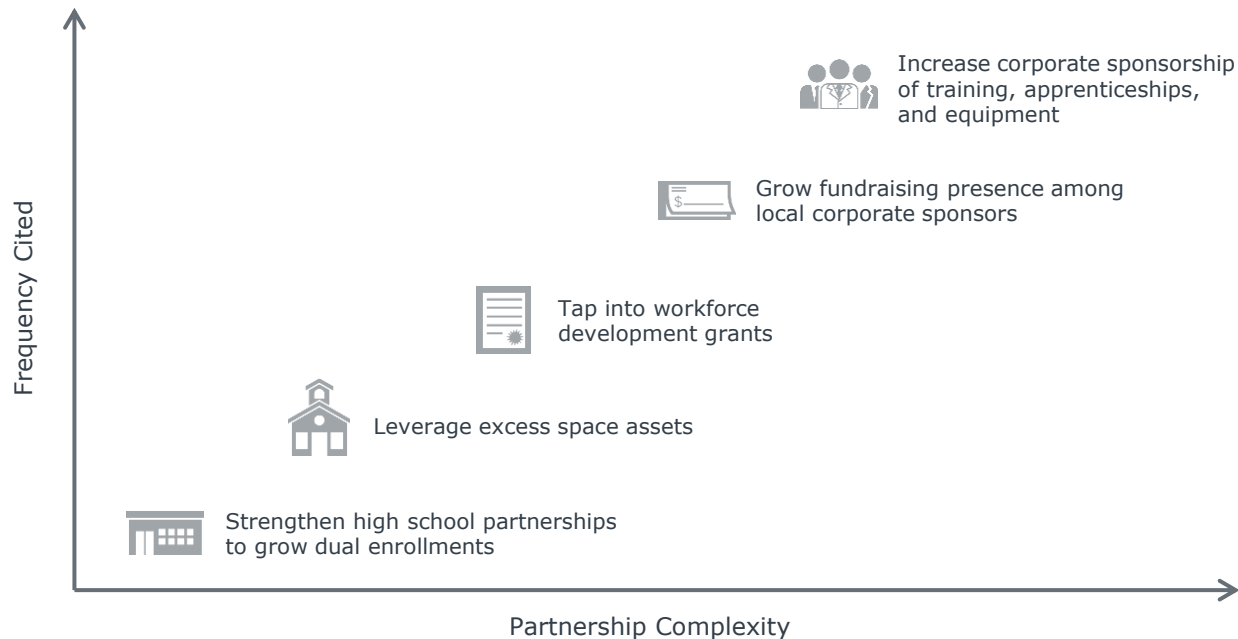
Building Internal Capacity and Enrollments

- 5** Strengthen high school partnerships to grow dual enrollments
- 6** Expand access to courses through online delivery innovation and new program formats
- 7** Build international student presence
- 8** Target degree completers for new enrollments

Aspiration Meets Realism



Corporate Partnership Tops Wish List Despite Complexity



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More Than One Way to Run a Shop

Workforce Development Teams Can Be Effective in Many Formats

	Leader's Title	In Cabinet?	Ownership	Staff Size
	Dean of Community Services and Special Programs	Yes	Non-credit	1.75
	Vice President of Workforce Development	Yes	Non-credit	7
	Executive Dean Career Technical Education	Yes	Credit and Non-credit	2.5
	Executive Director, Economic and Workforce Development	Yes	Non-credit ¹	11

Commonly Cited Organizational Changes to Workforce Development

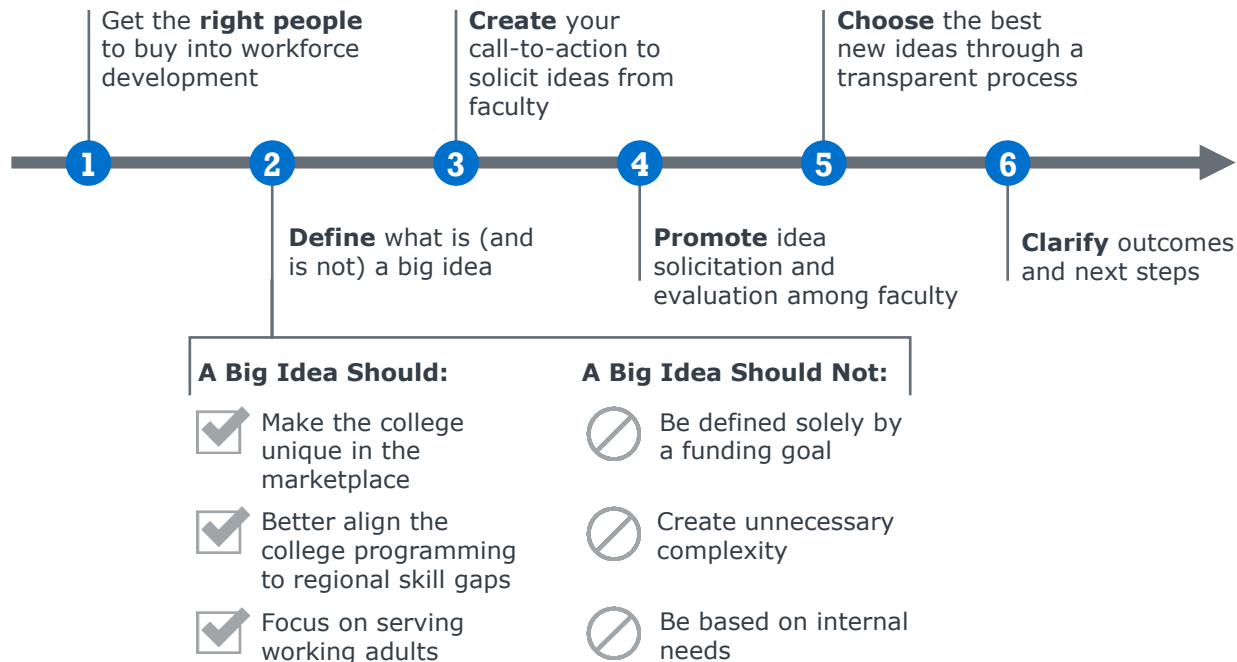
- Elevated leadership to cabinet level
- Fusion of credit and non-credit programs
- Increased marketing and sales resources exclusively designated for workforce development

1) Also represents credit programs

Scaling Requires Big Thinking and Engagement

Fostering Engagement Requires Broad-Based Participation

Six Steps to Sustainably Source Big Ideas from Faculty



Visioning Exercise Generates Action

Secure Faculty's Attention at Workforce Strategy In-Day

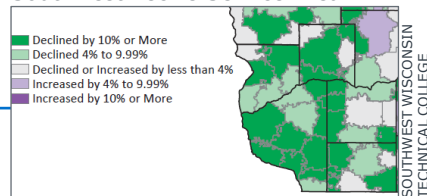


1 Link Faculty Role In Student Support to Workforce Mission

Tell a Data-Driven Story of Demographics

- Demonstrate enrollment trends for traditional students
 - High school enrollments
 - Change in population age composition
- Show college's reach in workforce development
 - Non-credit enrollment headcount
 - Number of employers offering training funding
- Remind faculty of their role to make education accessible

Decline of High School Population in Southwest Tech's Service Area



2 Translate Data Insight into Individual Action

Ask Faculty to Identify Barriers

- Assign faculty to cross-departmental groups to list barriers to workforce enrollments

Suggest Strategies to Overcome Biggest Barriers

- Ask faculty to select the biggest barrier to enrollment
- Solicit strategies from the group to overcome that barrier
- Share the results and ask for continued contributions

Categories of Barriers Given to Southwest Tech's Faculty

Three Types of Barrier to Working Adult Enrollments:

1. **Dispositional**
Student's mindset
2. **Situational**
Student's life context
3. **Institutional**
College's policies, finances, and practices

Decentralized Approach Risks Contract Value

Workforce Development Deans Cite Continual Challenges

“While academic departments have the right intentions, they are often unaware of the flexibility the College can offer across divisions. Our silos have the **potential to dilute the value of the college to employers.**”

*Dean, Workforce Development
Midwest community college*

Create a Single View of the Corporate Client

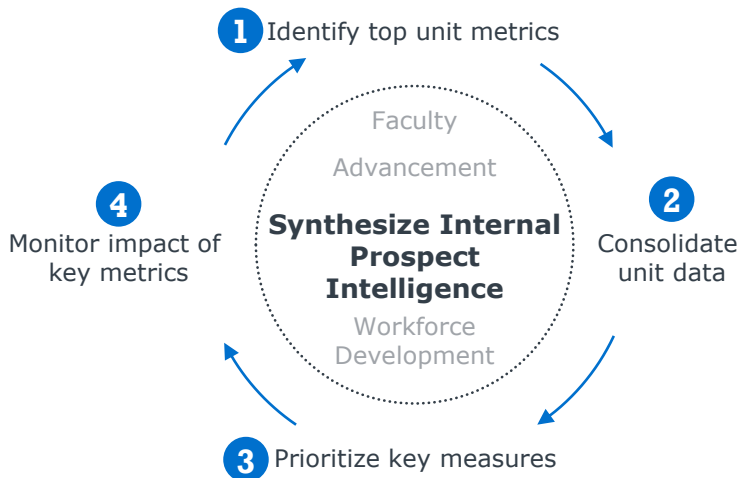
Partnership Management Council Aggregates Critical Data Assets

President's Charge

- Create a unified partnership strategy
- Coordinate outreach and align with institutional strategy

Quick Facts

- Team meets quarterly
- Includes all externally-facing unit leaders
- Shares internal unit metrics



Keys to Success



Accountability from senior leaders



Transparency of data and relationship ownership



Institutional focus rather than unit-level

Embed Data and Goals into Account Planning

Meeting Agenda Items

1. Aggregate unit data
2. Analyze employer fit scores
3. Prioritize leads for outreach
4. Coordinate message and determine lead owners

Outcomes



Grew footprint in regional market

Prospect Name: Advanced Technology Inc.

Metric	Value	Fit Score	Sponsor	2017 Goal
Number of Apprenticeships	5	+1	VP of Workforce development, Jay Hill	Grow by 10%
Gifts or Discounts in Kind	\$100,000	+1	CIO, Jay Figari	Sustain
Number of Job Placements	17	+4	CHRO, Ruth Snead	Sustain
Custom Training Purchase Value	\$35,000	+3	VP of L&D, Mary McGonigle	Grow by 10%



Next Step: VP of Workforce Development set up lunch with Mary McGonigle

EAB Support to Present One Face to Employers



Differentiation Brainstorming Guide

COEForum

- Identify your own unique strengths in the market
- Align internal structures to meet partners' needs
- Capture external perception from current partners
- Craft distinct messages for key purchase influencers

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Not Always a Sure Bet

Unpredictable Nature of Industry Partnership Limits Reliable Revenue

Partnerships Need Investment



Specialized Faculty



Equipment and Machinery



Administrative Time



Threats to Sustainability



Difficulty finding faculty can lead to delayed program or partnership launch



Unpredictable technology growth and industry needs can make equipment obsolete



Time taken to bring program from conception to launch can be too slow for an employer

When Your Partner Fails to Invest

Indianhead Technical College and Kestrel Aircraft Partnership Never Materializes



The Promise

- Kestrel Aircraft earned grants to open a 600-worker facility in Superior, WI
- Indianhead Technical College partners to launch a degree in Composite Technologies
- Program launches with 20-student capacity

The Reality

- Kestrel Aircraft merges with another aviation company and leaves Wisconsin
- The Composite Technologies program graduates just seven students in four years before closing

If You Build It, Will They Come?

Needs Analysis Imperfectly Demonstrates College Opportunity



Demographics

1. Regional analyses of local workforce
2. Population growth
3. High school student data

Limitations:

Only Provides Foundation

- Broad scope of demographic data doesn't isolate student needs
- Lagging indicators do not predict future growth



Market Intelligence

1. Federal and state departments of labor
2. Real-time labor analytics firms (EMSI, Burning Glass, O*NET)

Limitations:

Analysis Limited by Data Quality

- Imperfect data collection leaves gaps in demand
- Future projections often on a 10-year scale
- Credentials needed for workforce not always clear
- Imprecise skill definitions



Business Surveys

1. Skill needs survey of regional HR and CEOs

Limitations:

Narrow Vision of Needs

- Difficult to assess whether self-reported needs are linked to corporate investment
- Bias by survey respondents skewed to their narrow understanding of talent needs
- Hard to stay timely with business needs

A Student-Aligned Workforce Assessment

Student Surveys Add Context to Traditional Data Analysis



Nine Surveyed Career Clusters...

- Workplace Skills
- Health Professions
- Information Technology
- Environmental & Mechanical Sciences
- Professional Programs
- Basic Life Skills
- Construction
- Fabrication & Production
- Transportation & Machinery



...Leads to Five Program Opportunities

1. Agriculture
2. Health Professions
3. Hospitality
4. Skilled Trades
5. Technology

Student Survey Validates Market-Driven Decisions

Accelerated Recruitment-Enrollment Ramp



\$10,000 investment in agriculture faculty and infrastructure



13 students at launch, twice initial projections

Strengthened Community Linkages



Developing partnerships to use K-12 tech labs



Data-supported funding requests to county governments

Added Student Voice to Business Case



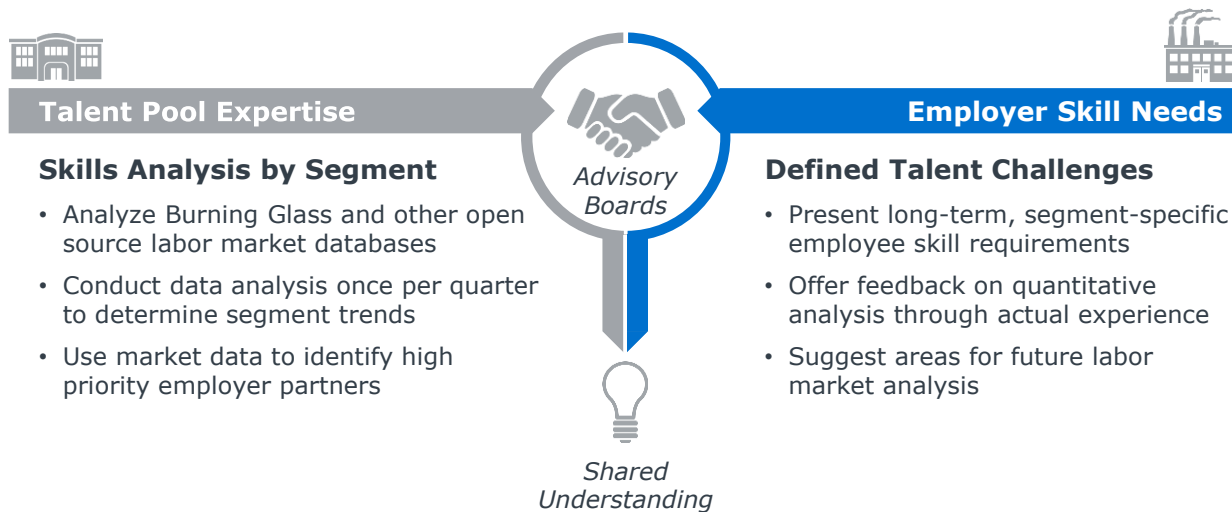
Repurposing building for new program creation



Demonstrate local commitment to employers

Labor Intel Guides, Motivates Advisory Boards

NOVA Catalyzes Shared Understanding of Strategic Training Needs



Key Elements to Successful Meeting



Right Audience

Invite VPs of Talent Development or HR



Prepared Agenda

Lead conversation with most high-demand skill

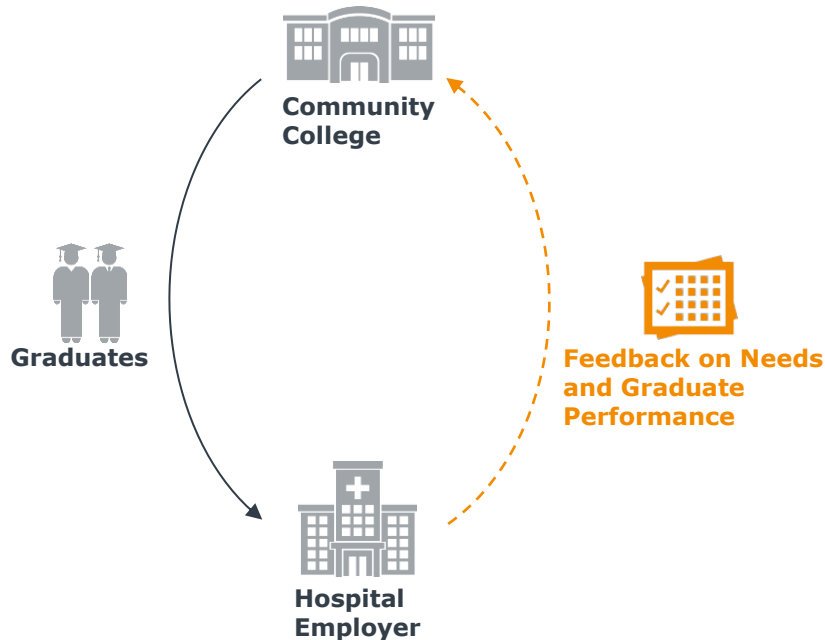


Idea Exchange

Facilitate discussion around data gaps

An Often Incomplete Feedback Loop

Ideal Curriculum Development Feedback Loop



Continuous Quality Improvement

Employer Survey Creates Mechanism for Sustainability

Excerpt from Community Colleges of Spokane Employer Survey



Based on your experience with graduates from our program, please indicate whether you:

a = strongly agree b = agree
c = disagree d = strongly disagree

Graduates are prepared to:

1. Perform in a safe manner that minimizes the risk to patient, self, and others. a b c d
2. Demonstrate expected clinical behaviors in a professional manner in all situations. a b c d
3. Perform in a manner consistent with established legal standards, standards of the profession, and ethical guidelines. a b c d

Tips for Creating Your Own Survey



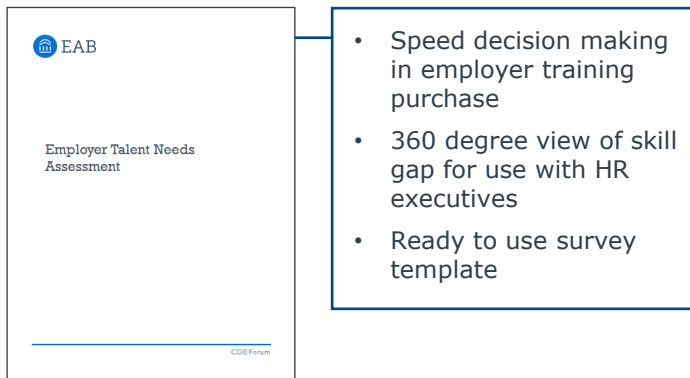
Limit the number of questions (aim for fewer than 10).



Use a six-point Likert scale for questions to eliminate "neutral" responses.



Wait until new graduates have been in their roles for two to three months.



EAB Consulting Services to Support Academic Program Planning

In response to member need, we are excited to announce new engagements to support campus leadership with market intelligence, academic portfolio planning and new program feasibility. If you have an immediate need for market intelligence or would simply like to learn more about how EAB can support program growth, please let us know.

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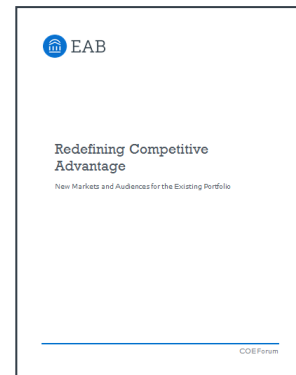
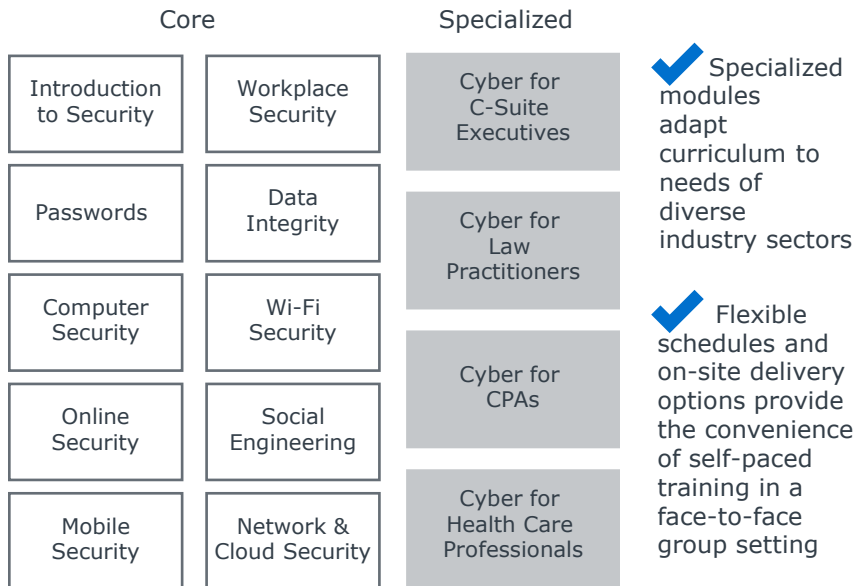


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Mix and Match Program Modules

Scale Offerings with Modular Training Plus Customization

Cybersecurity Awareness Trainings at Anne Arundel Community College



- Series of program innovations for existing curricula

A Soft Revolution Poses Scale Opportunity

Soft Skills Gap Spans Industries, Newly Urgent

Most Commonly Requested Soft Skills by Middle Skills Occupational Family

Health Care	Manufacturing	Finance	Information Technology
1 Communication Skills	1 Communication Skills	1 Communication Skills	1 Communication Skills
2 Organizational Skills	2 Customer Service Skills	2 Organizational Skills	2 Writing Skills
3 Writing Skills	3 Organizational Skills	3 Customer Service Skills	3 Organizational Skills

Need More on Health Care?

View our recent webconference on health care training partnerships, [8 Lessons for Building the Entry-Level Workforce of Tomorrow](#).



Finding Common Ground

Training Consortium Sources Shared Needs



Season Tickets for Collective Sessions



Monthly Sessions: Business Partners Training Consortium meets once a month for 4 hours per session



One-Year Subscription: Participating employers each buy 1-6 "season tickets" valid for one year of training sessions



Transferrable Seats: Employers may fill seats with different staff each month, depending on session topic



Choice of Three Locations: Cohorts offered at main campus and two satellite locations to minimize driving distance

Sample Session Topics

- ☒ Professionalism
- ☒ Customer Service
- ☒ Critical Conversations
- ☒ Meeting Management
- ☒ Delegating Authority
- ☒ Organizational Change

Responding to Small Business at Scale

Small Business Leaders Purchase Training That They Help Shape

Focus Groups Select Training Topics

Strong Uptake Among Smaller Businesses

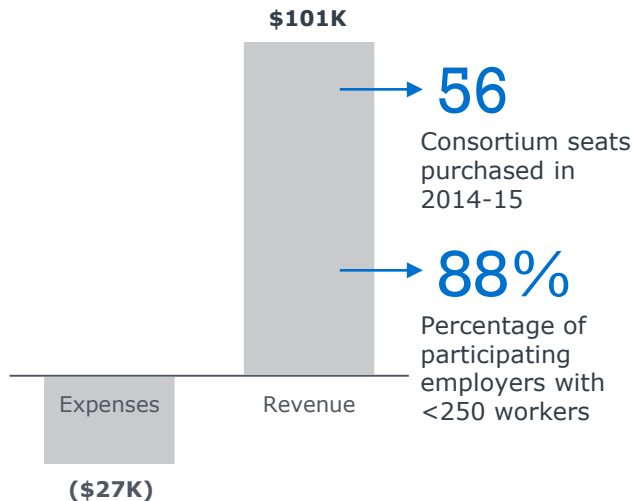


- **Open invitation:** All current and previous training consortium members are invited to attend a focus group



- **Minimal time commitment:** Focus groups meet over breakfast or lunch for one session
- **Focused on employer needs:**
 - What are your staffing pain points?
 - Which skills do emerging leaders in your organization lack?
 - In which proposed training topics do you have the greatest need?

Kirkwood's Consortium Outcomes, 2014-15



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Workforce Development Webinars

A Four-Part Webconference Series

1

8 Lessons for Building the Entry-Level Workforce for Tomorrow

*Archived at
eab.com*



2

How Health Care Employers Can Solve Two Entry-Level Career Pathway Challenges

*Archived at
eab.com*



3

Critical Disciplines in Growing Corporate Training Revenue

*Today's
session*



4

Competing on Student Outcomes to Attract Today's Career Changer

*April 11
1 PM*



Next Steps for Our Service

Paving Pathways to Excellence Meeting Series

Securing Alternative Revenue in a 'Post-Tuition' World:

Diversifying Funding Sources and Planning for Growth

Pathways to Degree Completion Across the Portfolio:

Lessons in Integrating Career and Curriculum



State of the Community College Sector:

Adapting to the New Higher Ed Competitive Landscape

Future-Proofing the Associate's Degree:

Strengthening Credential Value for University-Bound Transfers and Liberal Arts Students

2017 National Meeting Series Dates and Locations

June 15, 2017

Washington, DC

Reserved for Presidents

July 21, 2017

Chicago, IL

September 22, 2017

Washington, DC

October 13, 2017

Marina del Rey, CA



AACC Pre-Convention Workshop – Best Practices for Community College Leaders

Hilton Riverside Hotel in New Orleans
April 21, Noon – 7 PM

Thank you for your time!



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