

Sustaining Career Pathways: Funding, Leadership, Policy, & Professional Development

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Blog 1: Adult Career Pathways: What are the Costs?

(Excerpt from the book, “Providing a Second Chance in Public Education: Adult Career Pathways”, Chapter 10: What are the Costs?)

Every community in the United States has adult residents who are not economically self-sufficient, either because they are not working or because they are working at jobs that cannot lift them and their families above the poverty line. The needs of those people do not go unnoticed. Community and technical colleges work hard to provide programs that are accessible to low-income adults, as do institutions such as one-stop career centers and area technical education centers. Many community and faith-based organizations consider meeting the needs of the poor to be one of their highest priorities.

If we were to put a dollar figure on the amount of money—public and private—spent to improve the lives of the less fortunate in this country over the past half-century, what would it be? Of course, that’s an unanswerable question, but certainly the amount would run into many billions. The obvious next question is this: Has it worked? Has all that money and time and effort helped America’s low-income families rise to a level at which they no longer need public assistance? For some families, the answer is yes. Every assistance program has its success stories. But all around us we still see large numbers of frustrated adults who fall far short of their potential, and the problem seems to be getting worse rather than better. Clearly, as a nation, we still have not arrived at an effective solution.

Here are three of the main reasons why (in our view) a comprehensive solution has not been found:

- Most intervention strategies are designed to provide a “quick fix” rather than solve the underlying problem. They relieve the symptoms (temporarily) but do not cure the patient. While the strategies called for in this book are difficult and expensive, we believe those strategies could produce life-changing experiences for many people.
- Existing efforts are largely uncoordinated with one another. Many agencies across the country offer basic education, assistance in meeting personal needs, and career training, but they are not systematically coordinated or aligned. The result is excessive red tape, confusion, and duplication of effort.
- There are simply not enough federal and state financial resources available to address the magnitude of the problem, which is huge and growing.

Although the cost of implementing the ACP strategy proposed in this book is high, the cost of not implementing it will ultimately be much higher. As unemployment (and underemployment) rise, so does the cost to taxpayers for public assistance services and incarcerations. And the shortage of well-trained workers severely limits economic development, causing more and more of America’s wealth to be transferred abroad.

Subsequent chapters identify the revenue available from existing federal, state, and local sources, as well as new policies called for by the proposed plan of action. This chapter focuses on identifying the specific cost elements of ACP programs and provides a general strategy for meeting those costs. The proposed strategy calls for a significant investment, especially on the part of businesses, but also

promises a strong return in the form of loyal, well-qualified employees who add value to their employers' products and services and support themselves and their families without the need for public assistance.

What Are The ACP Cost Elements?

ACP candidates represent a wide range of backgrounds, resources, and needs. At one end of the spectrum will be people who need little or no remediation and have access to at least some form of support, such as the GI Bill, the income of working spouses, or other family support. At the other end will be people—far more numerous—who represent “worst-case scenarios,” for example, single parents with serious personal and academic needs but no support whatsoever. Laid-off workers may have some period of benefits for retraining provided by a union or through state and federal programs. In the following paragraphs, in laying out the costs of ACP programs, we use “worst-case scenario” assumptions as a kind of baseline. If ACP programs are to succeed, they must be prepared to help people whose needs are great. Programs that set their admission standards too high will fail to reach the very people who need the programs most urgently and stand to gain the most through participation.

We do not provide a comprehensive, specific budget. Budgets must be developed locally, taking into consideration the availability of resources (public and private) and the willingness of employers and community organizations to participate. What follows here is a budget template that covers nine elements:

1. Program planning, design, and development
2. Student recruitment and intake
3. Counseling and mentoring
4. Tuition, teaching materials, and supplies
5. Living costs
6. Transportation
7. Childcare
8. Paid release time to attend classes
9. Other ACP cost elements

While the actual costs incurred for each of these elements will differ from one program to the next, every program's budget will have to cover all nine to some extent.

Let's look at the nine elements in detail.

1. Program planning, design, and development—this element represents a one-time cost, although budgeting for it should also take into consideration the need for periodic program evaluation and revision. Planning, design, and development include the time and effort required to form partnerships and negotiate agreements. (This process will probably require the services of independent consultants.) The planning process will also involve activities such as visits to sites where aspects of the ACP concept are already working; research into program designs and materials; meetings; and development and/or acquisition of materials and faculty training that support teaching, recruitment, and counseling. Program staff should be hired well in advance of the program's first day of operation.
2. Student recruitment and intake—this element involves materials and activities designed to give the program visibility. They will include marketing pieces (printed and online), staff time for presentations to potential supporters, publications in newspapers and periodicals,

telephone calls, and visits to community and faith-based organizations and individuals. Intake of applicants requires experienced personnel, who have the expertise to design application materials, select and acquire test and assessment instruments, screen applicants, administer and evaluate assessments, interview applicants, arrange for financial and other assistance, and schedule classes. Recruitment and intake tasks are ongoing or recurring costs. (Further details on recruitment and intake are provided in Chapter 7.)

3. Counseling and mentoring—Most ACP students will require counseling (individual and group) both prior to their admission to and during their participation in the program. During Stage 1, counseling and mentoring should take place at least weekly. As the student moves through the stages, counseling by college staff members will be required less frequently. Career counseling, provided during Stage 1, will include administration and evaluation of student aptitude and interest assessments. In conjunction with that process, counselors will also help students identify and learn about the high-demand jobs that are within their reach. (Where possible, counselors should seek opportunities for students to visit worksites.)

Part of the counseling role will fall to employee mentors. Most community and technical colleges are equipped to provide the necessary preparatory training to the mentors. Participating employers should look upon the cost of the mentors' time as part of their contribution to the success of the programs.

Counseling and mentoring represent recurring costs. (Further details on counseling and mentoring are provided in Chapters 7 and 8.)

4. Tuition, teaching materials, and supplies—the cost of administering classes will be determined by the college and factored into student tuition. Tuition, teaching materials (student texts and workbooks), and supplies (expendables) will be provided through the college for Stage 1. In subsequent stages, these costs will be borne by the student and/or the employer.
5. Living costs—During Stage 1, students will attend classes full-time. This means that, for the most part, the students and their dependents will need help in paying their living expenses (meals, clothing, medical expenses, and so on). Some colleges have externally funded programs that can provide food and clothing for students who qualify for assistance. During Stage 2, students will be employed part-time and thus be able to meet at least part of their own living expenses. After Stage 2, the students will be full-time employees and should be able to support themselves and their families.
6. Transportation—Some ACP students will require help with transportation in getting to and from classes. If they live near public transportation arteries, the costs will be limited to fares charged by the carriers. If they live in places where public transportation is not readily available, other arrangements will have to be made. Community and faith-based organizations could be called upon to provide assistance in this area.
7. Childcare—At least 30 percent of ACP students will require childcare. This could be arranged through the colleges, some of which provide childcare in special circumstance, or with the assistance of community and faith-based organizations. This element represents a high priority. One reason many adults are fearful of going back to school is that they have small children and cannot afford childcare. ACP programs should be equipped to provide or arrange for childcare during times when students are attending classes or fulfilling other responsibilities that specifically pertain to their participation in the program. The greatest need for help with childcare will occur during Stage 1, when the students attend classes full-time. Childcare could be provided by community and faith-based organizations or purchased from for-profit daycare centers. Childcare costs can range from \$250 to over \$800 per month, depending on the children's ages and how many hours per week they are in care.
8. Paid release time for ACP employees to attend classes—beginning with Stage 2, ACP student employees work and attend classes at the same time. To make this possible without excessive

hardship on the student, we recommend that employers be willing to provide paid release time of one or two hours a day for their ACP student-employees to attend classes. This represents a real cost to the employers, but we believe that, in the long run, that cost will be repaid several times over.

10. Other ACP cost elements—as stated at the beginning of this section, the preceding items represent only a template for determining and meeting ACP program costs. The specifics will vary from place to place, from program to program and even from one student to the next. The essential point is that program planners and administrators be thorough in making provisions for all possible costs. Any potential barrier to participation, however small it might seem, could exclude the very people whom the ACP concept is designed to help.

Estimating and Allocating the Costs

The cost elements identified in the previous section are deliberately general, with no dollar amounts or percentages assigned. Assignment of numbers to the elements will take place on a local basis, as determined by the infrastructure and general circumstances in a particular setting. Using the framework shown in Table 10-1, the numbers can then be assembled into a detailed ACP budget.

The table leaves the “estimated cost” column blank because costs will vary by locality and program. One of the ACP coordinator’s first jobs is to determine what numbers will go in each space. The table also leaves extra space under Source(s) of funds. Here again, the items that fall under that category will vary.

(Chapters 11–13 describe current policies and funding sources at the federal, state, and local levels. These chapters also provide recommendations for new policies that would focus more succinctly on ACP issues and provide adequate funds to support them.)

Table 10-1: Allocation of Costs for ACP

| Cost Element | Est. Cost | Occurs When? | Services Provided By | Source(s) of Funds |
|--|-----------|-----------------------|--|---|
| Planning, design, training, and development (onetime cost) | | Before program begins | College, employers, comm. Leaders and consultant | Community Capital Campaign |
| Recruitment and intake | | Before Stage 1 | College | Existing college programs and ACP staff |
| Counseling and mentoring | | Before Stage 1 | College | Existing college programs and ACP staff |
| Counseling and mentoring | | During Stage 1 | College | Existing college programs and ACP staff |
| Counseling and mentoring | | During Stage 2 | College and employer | Existing college programs and individual employer |
| Counseling and mentoring | | Stages 3-10 | Employer | Individual employer |
| Tuition, teaching materials and supplies | | Stage 1 | College | Federal, state and community |

| Cost Element | Est. Cost | Occurs When? | Services Provided By | Source(s) of Funds |
|--|-----------|--------------|--|---|
| Tuition, teaching materials and supplies | | Stages 2-10 | College and employer | Federal, state and community |
| Student/family living costs/transportation | | Stage 1 | Combination of tuition assistance programs, community-based organizations and community capital campaign | Federal, state and community |
| Student/family living costs/transportation | | Stages 2-3 | Combination of tuition assistance programs, community-based organizations and community capital campaign | Federal, state, community, employer and student |
| Student/family living costs/transportation | | Stages 4-10 | Combination of student earnings, employer support, community based organizations | Federal, state, community, employer and student |
| Childcare | | Stages 1-10 | College and/or community | Community |
| Paid release time to attend class | | Stages 2-10 | Employer | Employer |

The table leaves the “estimated cost” column blank because costs will vary by locality and program. One of the ACP coordinator’s first jobs is to determine what numbers will go in each space. The table also leaves extra space under Source(s) of funds. Here again, the items that fall under that category will vary. (Chapters 11–13 describe current policies and funding sources at the federal, state, and local levels. These chapters also provide recommendations for new policies that would focus more succinctly on ACP issues and provide adequate funds to support them.) In our discussions with community leaders about the feasibility of ACP programs, we have noted that adequate funds seem to be available already. The problem is not lack of funds, but that a pitifully small percentage of the adults who so urgently need ACP have been recruited into adult education programs of any kind! In most instances, the biggest reason for low enrollment in career preparation programs for adults is lack of employer involvement. The promise of good jobs with career ladders is the strongest motivator for unemployed and underemployed adults who want to improve their status in life. When employers don’t make an effort to help struggling adults see the connection between education and rewarding careers, those adults see no reason to go back to school. (Chapter 6 speaks to the recruitment problem and suggests effective strategies for recruiting, enrolling, and retaining ACP students.)

A Proposed Strategy for Sharing ACP Costs

Well-populated ACP programs are needed in virtually every community in this country. However, if the vision presented in this book were to become a reality, the numbers of ACP programs and students would soon outstrip the availability of federal, state, and local funds to support them. A much larger

share of the costs would have to be borne by employers. In this section we present a strategy for sharing the costs of ACP programs. The proposed funding strategy calls for a large commitment from employers. Specifically, the employer partners for each ACP program would be asked to do the following:

1. Participate in the planning phase of the program by partnering with competitor organizations to create a common career ladder for intake and growth of new employees.
2. In collaboration with other employers in the same cluster (including competitors), agree on a common set of entry-level knowledge, skills, and personal qualities for new employees.
3. Hire ACP students after they have completed the first stage of the program.
4. Provide one or more mentors for each newly hired ACP student-employee, to work with that student-employee for two to three years.
5. Provide incentives for completion of each ACP stage.
6. Support ACP student-employees by providing health insurance, tuition, and books for all courses above the Prep Stage, where appropriate, offer paid release time of a few hours a week to make it easier for ACP student-employees to attend classes.

Figure 10-2 shows how employers' contributions would relate to support acquired through other sources. Table 10-3 provides sample figures for an average ACP student-employee.

ACP: Potential Cost Sharing

Figure 10-2. Support Cost Allocations for Average ACP Student-Employee

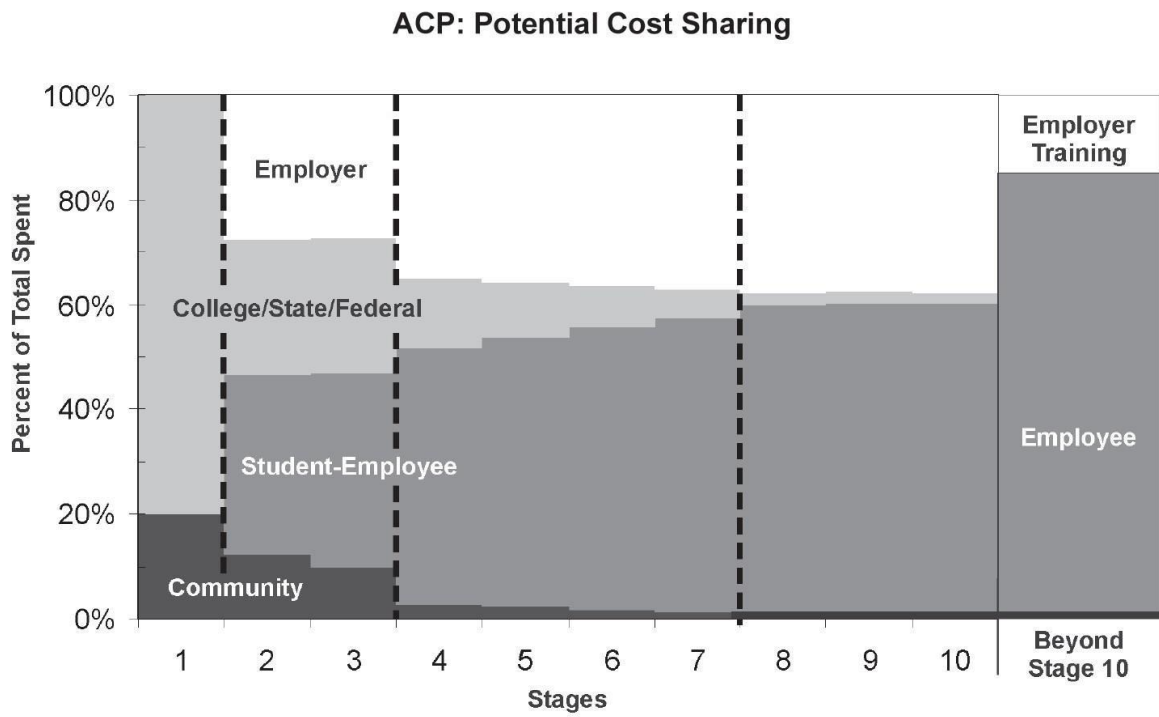


Figure 10-2. Support Cost Allocations for Average ACP Student-Employee

Table 10-3: Cost Breakdown for Average ACP Student-Employee

Assumptions: Medium living expenses; each stage represents four months; student is single parent; all \$ amounts are pretax; overall goal is for program graduate to be qualified for \$16/hour full-time job

| Stage | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Totals |
|--------------------------------|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|-------------------|
| Hours of Instruction | 12 NC; 3 CR | 9 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 60 |
| Paid Release (Hrs/Week) | - | 5 | 5 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | |
| Hours of Work/Week | - | 30 | 30 | 40 | 40 | 40 | 40 | 40 | 40 | 40 | |
| Pay Rate | | \$8.00 | \$8.50 | \$9.00 | \$9.50 | \$10.00 | \$10.50 | \$11.00 | \$11.50 | \$12.00 | |
| Use of Funds | | | | | | | | | | | |
| Tuition, Fees and Books | \$1,800 | \$1,080 | \$1,080 | \$720 | \$720 | \$720 | \$720 | \$720 | \$720 | \$720 | \$7,200 |
| Student family living costs | \$4,000 | \$4,000 | \$4,000 | \$4,000 | \$4,000 | \$4,000 | \$4,000 | \$4,000 | \$4,300 | \$4,475 | \$36,775 |
| Health Insurance | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$18,000 |
| Transportation | \$600 | \$600 | \$600 | \$600 | \$600 | \$600 | \$600 | \$600 | \$600 | \$600 | \$5,400 |
| Social Security and Income Tax | - | \$400 | \$425 | \$600 | \$633 | \$667 | \$700 | \$733 | \$767 | \$800 | \$5,775 |
| Childcare | \$1,600 | \$1,600 | \$1,600 | \$1,600 | \$1,600 | \$1,600 | \$1,600 | \$1,600 | \$1,600 | \$1,600 | \$14,400 |
| Totals | \$10,000 | \$9,680 | \$9,705 | \$9,520 | \$9,553 | \$9,587 | \$9,620 | \$9,653 | \$9,987 | \$10,195 | **\$87,500 |

| Stage | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Totals |
|----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|-------------------|
| Source of Funds | | | | | | | | | | | |
| Student employee Earnings | - | \$3,333 | \$3,613 | \$4,650 | \$4,908 | \$5,167 | \$5,425 | \$5,683 | \$5,942 | \$6,200 | \$44,921 |
| Paid release time | - | \$667 | \$683 | \$1,350 | \$1,425 | \$1,500 | \$1,575 | \$1,650 | \$1,725 | \$1,800 | \$12,329 |
| Employer Benefits (health) | - | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$18,000 |
| College, state, federal | \$8,000 | \$2,500 | \$2,500 | \$1,250 | \$1,000 | \$750 | \$500 | \$220 | \$220 | \$195 | \$9,135 |
| Community | \$2,000 | \$1,180 | \$955 | \$270 | \$220 | \$170 | \$120 | \$100 | \$100 | - | \$3,115 |
| Totals | *10,000 | \$9,680 | \$9,705 | \$9,520 | \$9,553 | \$9,587 | \$9m620 | \$9,653 | \$9,987 | \$10,195 | **\$87,500 |

**Total cost for Prep Stage*

***Total cost of program*

In reviewing Figure 10-2 and Table 10-3, bear in mind the following:

- In the Prep Stage, ACP students attend college full-time. They are almost completely dependent on support from the program for their tuition, books and supplies, and living expenses. Funds to support this stage will come from various sources. Most ACP students will be eligible for Pell Grants, Federal SEOG Grants, and State Public Education Grants. Colleges can provide information on grants, scholarships, and subsidized loans.
- Following successful completion of the first stage, ACP students are hired by participating employers and placed in career ladders.
- In Stages 2 and 3, ACP students take a total of 15 course hours at their colleges in the prescribed ladder curricula. During these stages, the students work 30 hours per week and are given five hours of paid release time per week. The employer provides health insurance as an additional benefit.
- In Stages 4–10, ACP students are full-time employees on a graduating pay scale. They are able to meet increasing percentages of their own living expenses. They continue to take six credit hours per semester in their ladder curricula. The employer increases the paid release time to 10 hours per week.
- By the end of Stage 10 (approximately three years), ACP students have completed their ladder curricula and are financially independent. Employer-sponsored training may be provided for advanced skills.
- Support from community and faith-based organizations should be available for childcare, general living expenses and transportation until students are fully independent.

The example in Table 10-2 would require the employer to commit just over \$30,000 for release time and health benefits over three years.

ACP programs will vary in duration, content, schedule, and modes of support. The plan proposed in this chapter is not intended to be prescriptive or to call for strict replication. Its purpose is to help ACP planners identify major cost elements, provide a framework for budgets, suggest trends in funding, and set the stage for the chapters on federal, state, and community policies.