

## Beyond the Campus: Connecting Community College Students to Meaningful Employment

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As one of only 14 states with a state-supported work-study program for college students, Texas has been a leader in recognizing the value of connecting students with jobs. The state now has an opportunity to improve and expand on the current Texas College Work-Study program by linking students to off-campus jobs that help businesses while providing meaningful work experience for low-income, non-traditional students enrolled in public two-year institutions. Encouraging academic institutions to collaborate with businesses to provide career relevant work-study placements is a stated priority of The Texas Higher Education Coordinating Board,<sup>1</sup> yet currently every work-study job funded through the Texas College Work-Study program is an on-campus placement.

Companies are eager to hire community college students, and other states have found success in partnering their work-study programs with private-sector employers. The following report recommends that Texas conduct a feasibility study to identify barriers and opportunities for these partnerships, with an aim of developing a plan to pilot Private-Sector Work-Study Partnerships with community colleges that show potential for success.

### The Texas College Work-Study Program

The Texas College Work-Study Program (TCWS) provides part-time employment to financially needy students, with the salary costs shared by the state and the employer. In fiscal year 2013, nearly \$6 million in TCWS funds were distributed to 3,970 students. Of those, 1,273 were enrolled in a public community college.

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State law allows academic institutions to partner with private-sector employers and requires for-profit employers to cover 50 percent of the student's salary. Non-profit employers, such as colleges and universities, are only required to match 25 percent of the student's salary. Though encouraging institutions to collaborate with business to provide career relevant work-study placements is a stated priority of the Texas Higher Education Coordinating Board (Coordinating Board),<sup>2</sup> which oversees the program and monitors performance data, not one campus reported in 2014 that it had an off-campus work-study position or a Private-Sector Work-Study Partnership in place.

During the 2009 Legislative session, the Coordinating Board asked for an additional \$5 million in TCWS funds for the biennium to develop off-campus, career relevant work-study placements with private-

sector employers. Because private-sector employers would need to match 50 percent of the student's salary, it was estimated that the additional funding would expand the program by 134 percent, thus enabling 5,314 more students to secure work-study positions. Unfortunately, the Legislature did not grant this additional funding request, and no action was taken to develop Private-Sector Work-Study Partnerships with existing funds.<sup>3</sup>

### **Low-Income, Non-Traditional Students Rely on Work to Meet College Costs**

Many college students work in order to cover their educational and living expenses—especially low-income and non-traditional students (students who are older, have delayed enrollment after high school, and are not supported financially by their parents). Nationally, more than half of independent students—those who are not financially dependent on their parents—work more than 35 hours per week.<sup>4</sup> In Texas, between 20 and 25 percent of all college students work full-time.<sup>5</sup> While working allows students to pursue a postsecondary degree or credential, working while going to college often reduces academic performance because most jobs do not provide the flexibility students need to put their education first.<sup>6</sup>

Work-study programs are intended to help address the need for flexibility by providing financially needy students with part-time employment that avoids conflicts with class schedules. The Federal Work-Study program, started in 1964, provided approximately 20 hours of work per week to over 29,000 Texas students in 2008, the most recent date for which data are available.<sup>7</sup> Texas is one of 14 states that also created its own program, in 1989, which today provides almost 4,000 students with part-time employment. Typically positions in both federal and state programs are on-campus, though regulations allow for off-campus employment as well.

Research shows that across the country the Federal Work-Study program boosts academic performance and post-graduation employment. The positive effects also appear to be substantially greater for lower-income students and those with lower SAT scores.<sup>8</sup> However, a significant shortcoming of the traditional on-campus work-study model is that it fails to provide relevant work experience within a student's field of study. This is a major disadvantage for students, particularly those in public two-year institutions who are often focused on updating or expanding their skills to become more competitive in the job market.

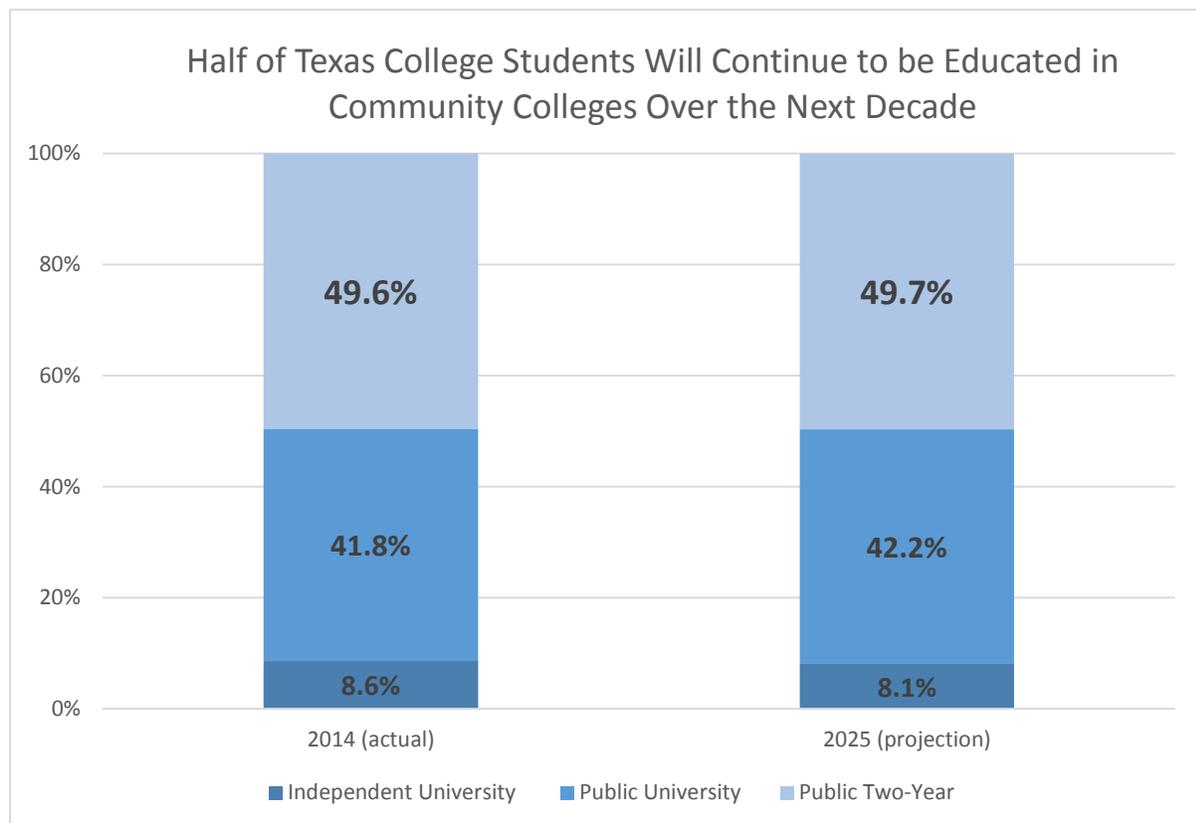
### **Community College Students are Attractive to Employers**

Non-traditional students often have both the work and life experience that is attractive to employers. Being able to succeed in school while juggling multiple responsibilities shows focus and maturity.

In a recent *U.S. News* article, Maureen Crawford Hentz, the director of talent management for a global manufacturing company, drew from a famous quote about Ginger Rogers and Fred Astaire to describe why employers are eager to hire community college students. "Sure [Fred] was a great dancer, but don't forget that Ginger Rogers did everything he did, backwards and in high heels." When given a choice

between two equally qualified candidates, Hentz says she leans toward the applicant with community college in their background.<sup>9</sup>

In Texas, community colleges play a large role in educating the future work force. In 2014, 49.6 percent of post-secondary education students were enrolled in a public two-year institution. By 2025, overall post-secondary enrollment is projected to increase by 14 percent, and community college students will continue to make up half of enrollment.<sup>10</sup> Private-Sector Work-Study Partnerships are a particularly useful strategy for connecting these desirable students with potential future employers.



### Private-Sector Work-Study Partnerships are a Win-Win for Texas

The Texas economy depends on a skilled workforce—and Private-Sector Work-Study Partnerships are another tool for ensuring the state’s future prosperity by helping employers as well as students.

Creating strong work-study partnerships between businesses and academic institutions assists employers by providing future workers with hands-on experience tailored to the companies’ needs. This is an effective strategy for helping to close “skills gaps,” or specific areas where businesses are unable to find enough skilled workers for in-demand jobs. Since private-sector employers are only required to

cover 50 percent of the student's salary, Private-Sector Work-Study Partnerships are an affordable way for businesses to develop a talent supply chain for their hardest-to-fill positions.

Private-Sector Work-Study Partnerships will also help low-income and non-traditional students acquire the high quality work experience in their field of study that wealthier students often gain through unpaid internships. Research shows that students with meaningful internship experiences have higher rates of employment post-graduation.<sup>11</sup>

To be most successful, a Texas Private-Sector Work-Study Partnership program should be designed to replicate or expand on successes the state has already seen when industry collaborates with academic institutions. As one example, Toyota and Alamo Community College partnered in San Antonio to create the Toyota Manufacturing Technician program, an associate's degree program that includes paid work at a Toyota manufacturing plant. Upon completion, program graduates are eligible for entry-level full-time positions that earn \$22 per hour.<sup>12</sup>

### **Other States are Seeing Success**

Several states have had success promoting private-sector work-study partnerships. Two states—Illinois and Indiana—went so far as to move all of their work-study placements to off-campus career-focused jobs by redefining work-study as experiential internships. While it may not be advisable for Texas to similarly move all work-study positions off-campus, the experience of Illinois and Indiana is instructive.

In Indiana, the state's work-study program, EARN Indiana (Employment Aid Readiness Network), is administered by the Indiana Commission for Higher Education, an entity similar to the Texas Higher Education Coordinating Board. EARN Indiana is a newer program, revamped in 2013, that uses a web-portal to match interested students to work-study internship placements. The approach is expected to help students develop career awareness, exploration, and preparation skills.<sup>13</sup>

In Illinois, the state requires schools that use state work-study funds to tailor their placements to meet community and labor market needs. While the Illinois Cooperative Work-study program is not explicitly need-based, its stated goal is to reduce loan dependency by targeting awards toward low-income students. Schools are also mandated to conduct their own program evaluations to determine the program's effect. As a result, the state can report that in 2014, the work-study program placed 1,187 students at 665 businesses across the state and that 70 percent of program participants seeking regular jobs were offered permanent employment by the work-study internship employer.<sup>14</sup>

Both states report higher earnings for work-study students than the minimum wage required by the Federal Work-Study Program and most state-sponsored programs. In Illinois, students on average are earning \$10 per hour (the state minimum wage is \$8.25). In Indiana, students are earning \$10.19 per hour (the state minimum wage is \$7.25).<sup>15</sup>

## **Creating Private-Sector Work-Study Partnerships**

Texas should study why the current Texas College Work-Study program is not providing off-campus, career-focused placements when off-campus jobs are already allowed by law and are a stated priority of the Coordinating Board. To begin, the Legislature should request a feasibility study from the Coordinating Board to answer the following questions:

- What are the current barriers community colleges face in forming Private-Sector Work-Study Partnerships? (Staffing needs, outreach capabilities, etc.)
- Are there industries and occupations that are better suited for work-study students that should be targeted for partnerships?
- Are there lessons Texas can learn about creating an off-campus work-study program from apprenticeships, internship programs or other workforce partnerships within Texas, or from other states like Illinois and Indiana?

In addition to answering these questions, the feasibility study should be used to identify community colleges that show strong potential for piloting Private-Sector Work-Study Partnerships. During the pilot phase, participating campuses would use a portion of their current TCWS funding or receive an additional allocation from the Legislature to create new partnerships and collect data on their effectiveness. Data collection efforts should attempt to answer:

- What are the graduation rate and the employment rate (both within students' field of study and in general) for students who participate in the pilot as compared to students with on-campus work-study positions and students who do not participate in a work-study program?
- How many off-campus job placements led to permanent employment after the student earned a degree or certificate? and
- How many additional students were served through the TCWS program due to employer cost-sharing?

To be successful, the pilot program would need to demonstrate improved outcomes when compared to the current on-campus program, as measured by higher graduation rates, increased employment within the field of study for student participants, or an expansion in the number of students taking advantage of TCWS due to employer cost-sharing.

## **Conclusion**

Texas is missing an opportunity to connect low-income, non-traditional students enrolled in public two-year institutions to meaningful work experience. Conducting a feasibility study that identifies barriers and opportunities for private-sector partnerships is the first step toward transforming the Texas College Work-Study Program from an on-campus employment model to a program that jump starts careers by connecting students with employers.

## Endnotes

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- <sup>1</sup> *Overview: Texas College Work-Study Program*. Texas Higher Education Coordinating Board; 2011.
- <sup>2</sup> *Overview: Texas College Work-Study Program*. Texas Higher Education Coordinating Board; 2011.
- <sup>3</sup> *Overview: Texas College Work-Study Program*. Texas Higher Education Coordinating Board; 2010.
- <sup>4</sup> Baum, Sandy. Michael McPherson and Patricia Steele. *The Effectiveness of Student Aid Policies: What the Research Tells Us*. The College Board; 2008.
- <sup>5</sup> Davis, Jessica. *School Enrollment and Work Status: 2011*. United States Census Bureau: American Community Survey Briefs; October 2012.
- <sup>6</sup> Scott-Clayton, Judith. Veronica Minaya. *Should Student Employment be Subsidized? Conditional Counterfactuals and the Outcomes of Work-Study Participation*. National Bureau of Economic Research; July 2014.
- <sup>7</sup> *Funding Texas Higher Education: Presentation for the House Appropriations Subcommittee on Education*. Texas Higher Education Coordinating Board; February 2009.
- <sup>8</sup> Scott-Clayton, Judith. Veronica Minaya. *Should Student Employment be Subsidized? Conditional Counterfactuals and the Outcomes of Work-Study Participation*. National Bureau of Economic Research; July 2014.
- <sup>9</sup> Sheehy, Kelsey. *Businesses, Universities Court Community College Grads*. U.S. News; November 2014.
- <sup>10</sup> *Enrollment Forecast 2015-2025*. Texas Higher Education Coordinating Board; January 2015.
- <sup>11</sup> Kenefick, Elizabeth. *Strengthening the "Work" in Federal Work-Study: Improving Access to Financial Aid and Career-Related Work Experience for Low-Income and Post-Traditional Students*. CLASP Center for Postsecondary and Economic Success, January 2015.
- <sup>12</sup> Combs, Susan. *Workforce: Capitalizing on Our Human Assets*. Texas Comptroller of Public Accounts, July 2014.
- <sup>13</sup> Altstadt, Dave. *Earn To Learn: How States can Reimagine and Reinvest in Work-Study to Help Low-Income Adults Pay For College, Enhance Their Academic Studies, and Prepare for Post-College Careers*. The Working Poor Families Project – Policy Brief; Spring 2014.
- <sup>14</sup> *Illinois Cooperative Work-study Program Fiscal Year 2014 Grant Allocation*. State of Illinois Board of Higher Education, February 4, 2014.
- <sup>15</sup> Altstadt, Dave. *Earn To Learn: How States can Reimagine and Reinvest in Work-Study to Help Low-Income Adults Pay For College, Enhance Their Academic Studies, and Prepare for Post-College Careers*. The Working Poor Families Project – Policy Brief; Spring 2014.

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