SHORT-TERM WORKFORCE DEVELOPMENT GRANT PROGRAM

FINAL REPORT
FISCAL YEAR 2022-23

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Agency Contact

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Short-Term Workforce Development Grant Program

Background

In 2021, the General Assembly allocated $3,000,000 each year of the biennium to the NC Community College System (NCCCS) to establish the Short-Term Workforce Development (STWD) Grant Program. The program aimed to remove access barriers to high-quality, in-demand, sustaining wage careers for eligible North Carolina students pursuing high-demand workforce training programs in pathways identified in collaboration with the Department of Commerce that lead to a State or industry-recognized credential. Through this program, each college determined grant award amounts based on student needs, local industry needs, number of eligible students, and cost of the course/pathway, up to a maximum award of $750 per course. These grants helped address the cost of tuition/registration fees, course fees, books, supplies, credentialing tests, transportation, childcare, and any other components of the total cost of attendance.

Administration:

Under this program, each college was eligible for an allocation determined by the college's Budget Full-Time Equivalency (BFTE) weighted for each funding Tier (Appendix I). Due to the shortened timeframe available to utilize funds in FY2021-22, colleges were required by the State Board to submit a one-page allocation request and assurances agreement. This approach was necessitated by the lack of a carryforward provision in the establishing legislation and the requirement that this fiscal year's funds be expended by June 30, 2022. In FY2022-23 colleges that did not accept or expend their original award were awarded carryforward. Additionally, all colleges were awarded an allocation based on their Budget Full-Time Equivalency weight for each funding Tier. To provide program monitoring, funds were budgeted and expended through the college's monthly 112 financial reports in purpose code 554 and vocational code 80. Awards to students' accounts were made using the financial aid module of the colleges' student information system, Ellucian's Colleague, further allowing for data collection on awardees and outcomes.

Implementation to Date:

Since the passage of S.L. 2021-180, steps have been taken to establish the program across the System. On January 21, 2022, the State Board for Community Colleges took action to provide for the allocation funds. (Appendix I) Through this action, each college was eligible for a formula allocation determined by the college's Budget Full-Time Equivalency (BFTE) weighted for each funding Tier. In this same action, the State Board tasked System Office staff to develop a funding process for colleges to request funding and agreement to meet program rules, student coding, and reporting requirements. Additionally, the System President was authorized to reallocate funds as needed during the program year to ensure full utilization of funds through a process developed by the System Office.

On April 1, 2022, the System Office issued Numbered Memo CC22-025 (Appendix II), providing the policy, required workflows, and FAQ guidance for implementing the STWD Grant Program. A critical component of this memorandum was the FY2021-22 STWD Grant: Allocation Request & Program Assurances, which served as the vehicle for colleges to accept their total eligible formula allocation, a partial amount of the formula allocation, or decline the formula allocation due to an inability to use the funds by the end of FY2021-22.

Reporting Plan:

The NCCCS was required to provide an annual report on the Short-Term Workforce Development Grant Program to the Joint Legislative Education Oversight Committee, the Senate Appropriations Committee on Education/Higher Education, the House Appropriations Committee on Education, and the Fiscal Research Division on the administration of the STWD Grant Program for the prior academic year by April 1, 2023.

Data collected for this report each academic year was to include, at minimum, the amount of grant funds disbursed and the number of eligible students receiving funds by each program.

Outcomes:

Data collected for this report each academic year includes the amount of grant funds disbursed and the number of eligible students receiving funds by each program.

Table 1: Disbursement and Student Awards

	FY21-22	FY22-23	Total
Grant Funds Dispersed	$1,876,000.52	$2,156,825.76	$4,032,826.28
Total Students Awarded	2,830	3,541	6,371
Awards by Program of Study			
	FY21-22	**FY22-23**	**Total**
Agriculture & Natural Resources	18	30	48
Biotechnology & Life Sciences	0	8	8
Business, Finance & Retail Operations	28	35	63
Construction and Skills Trade	300	330	630
Cosmetic Arts & Barbering	256	320	576
Criminal Justice	85	105	190
Distribution & Logistics	7	15	22
Emergency Medical Services	360	460	820
Health Occupations / Medical Office	1,311	1,638	2,949
Hospitality & Tourism	0	1	1
IT Certifications	28	35	63
Manufacturing	95	100	195
Real Estate, Insurance & Appraisal	156	168	324
Truck Driver Program	186	296	482

Program Evaluation:

The Short-Term Workforce Development Grant Program positively impacted community colleges in North Carolina. The program expanded access to educational and employment opportunities. Students who might not otherwise have afforded educational and training programs were offered financial assistance for the first time. Beyond access, more students were given a valuable opportunity to gain new skills, improve their earning potential, and gain access to better career opportunities. Since workforce continuing education programs are accelerated in nature, students were able to enter the workforce with essential skills in a short period of time.

The program was particularly beneficial for non-traditional students, such as adult learners or students with families and work responsibilities. Generally, these students may not have been able to commit to longer degree programs, but benefited from the shorter, targeted training programs that led to industry-recognized credentials. Lastly, by completing a program that led to an industry-recognized credential, students improved their earning potential and gained access to better job opportunities.

Program highlights are listed below:

- $4,032,826.28 million dollars allocated to students.

- 6,371 students received funding from the program.

- Over 1,000 credentials were awarded.

- Contributed to an overall increase in enrollment.

- Construction and truck driver training programs experienced significant enrollment growth.

Table 2: Workforce Continuing Education Enrollment

Spring 2021	Spring 2022	Change in Percentage
117,833	133,693	13% Increase
Summer 2021	Summer 2022	
97,119	100,027	3% Increase
Fall 2021	Fall 2022	
136,717	140,552	3% Increase

Table 3: Construction and Truck Driver Training Enrollment

Program Title	Spring 2021-Fall 2021	Spring 2022-Fall 2022	Change in Percentage
Construction	6,508	8,441	29% Increase
Truck Driver	2,913	4,072	39% Increase

Appendix I: State Board Action

STATE BOARD OF COMMUNITY COLLEGES
Allocation for Short-Term Workforce Development Grant Program
January 1, 2022 – June 30, 2022

Request:
The State Board of Community Colleges is asked to approve the allocation of
$3,000,000 in State funds to establish the Short-Term Workforce Development Grant
Program. The program will provide financial assistance for up to $750 for resident
students who enroll in noncredit, short-term workforce training programs that lead to an
industry-recognized credential in fields with employer demand and competitive wages.

Strategic Plan References:
Theme: Student Interest and Access
Goal #1: Increase the percentage of North Carolinians, particularly within underserved
populations, pursuing and easily accessing education or training through North Carolina
community colleges.
- Objective 1.3. Identify and reduce access barriers for all prospective students,
  particularly among underserved populations.
  - Strategy 1.3.1. Improve and augment existing financial assistance
    programs and services to better assist students with educational costs,
    particularly costs beyond tuition and fees (e.g., books, transportation,
    childcare, etc.).
Theme: Economic and Workforce Development
Goal #5: Develop a workforce pipeline for emergency response, pandemic-proof,
and high-demand industries.
- Objective .5. Develop a workforce pipeline for emergency response, pandemic-
  proof, and high-demand industries.
  - Strategy 3.5.1 Implement the N.C. Workforce Credentials framework.

Background:
Session Law 2021-180 Section 6.6.(a) establishes the Short-Term Workforce Development
Grant Program and directs the State Board to collaborate with the Department of Commerce
to determine the occupations in highest demand across the State and adopt rules for the
disbursement of grants linking the program to these occupations. Grants may be for up to
seven hundred fifty dollars ($750.00) to students pursuing short-term, noncredit State and
industry-recognized workforce credentials. At a minimum, the legislation requires eligible
students to qualify as residents for tuition purposes under the criteria outlined in G.S. 116-
143.1 and following the centralized residency determination process administered by the
State Education Assistance Authority. This program and approach builds on the work of the
N.C. Workforce Credentials and the State Board's strategic plan objectives.

Eligible programs will include courses and pathways that meet local workforce needs and
are identified on the N.C. Workforce Credentials list. Identified pathways include credentials
across all sectors in the State economy, including architecture and construction, health

sciences, information technology, electrical line worker, manufacturing programs, and other programs that meet workforce needs.

Rationale:
North Carolina must have a well-trained workforce in critical high-demand fields to recover from the COVID-19 pandemic and continue to grow our economy. Additionally, growing data shows many North Carolinians are seeking more stable, better-paying careers, and recent polling data from the Strada Center for Consumer Insights noted that 59% of adults considering enrolling in an education or training program prefer non-degree programs.[1] Community colleges will be essential to North Carolina's continued economic recovery as we upskill, reskill, and graduate our workforce. However, unlike traditional academic programs of study, federal financial aid is unavailable for these programs. Establishing the Short-Term Workforce Development Grant Program begins to address this unmet need for the NCCCS and the State of North Carolina.

In 2021, the General Assembly allocated $3,000,000 to the N.C. Community College System (NCCCS) for eligible community college students pursuing high-demand workforce training programs within workforce pathways identified in collaboration with the Department of Commerce, leading to a State or industry-recognized credential. These funds intend to remove access barriers to high-quality, in-demand, sustaining wage careers for North Carolinians. Each college will determine grant award amounts based on student needs, local industry needs, number of eligible students, and cost of the course/pathway, up to a maximum award of $750 per course. The grants will help cover the cost of tuition, fees, books, supplies, credentialing tests, transportation, childcare, and any other components of the total cost of attendance. At a minimum, eligible students applying for this scholarship must:

1) Resident of North Carolina
   a) As required by Session Law 2021-180, eligible students must establish residency under the criteria outlined in G.S. 116-143.1 following the coordinated and centralized residency determination process administered by the State Education Assistance Authority.
2) Students enrolling in Workforce Continuing Education (WCE) pathways/courses leading to a N.C. Workforce Credential identified as either Essential or Career level. These pathways may consist of a single WCE course or a series of courses.

The System Office will develop a funding process for colleges to submit a request for funding, an agreement to meet program rules, and the reporting and student coding requirements. Each college is eligible for an allocation determined by the college's Budget Full-Time Equivalency (BFTE) weighted for each funding Tier as presented in Table 1. The System President will have the authority to reallocate funds as needed during the program year to ensure full utilization of funds through a process developed by the System Office.

Time Period: January 1, 2022, through June 30, 2022.

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[1]   https://www.stradaeducation.org/wp-content/uploads/2020/04/Public-Viewpoint-Report-Week-5.pdf

Contact(s):
Nate Humphrey
Associate Vice President for Workforce and Continuing Education Programs

James "J.W." Kelley
Associate Vice President of Student Services

Appendix II: Numbered Memo CC22-025

TO: Community College Presidents
           Chief Academic Officers
           Chief Business Officers
           Chief Continuing Education Administrators
           Chief Student Development Administrators
           Financial Aid Directors

FROM: Nate Humphrey
           Associate Vice President, Workforce and Continuing Education Programs

SUBJECT: FY2021-22 STWD Grant Program - Policies, Required Workflows, and FAQs

DATE: April 1, 2022

This memo provides policy, required workflows, and FAQ guidance on implementing the Short-Term Workforce Development (STWD) Grant Program established by Session Law 2021-180. This historical milestone for our System represents the first state-funded financial aid program for eligible Workforce Continuing Education (WCE) students pursuing high-demand, family-sustaining wage credentials through our colleges.

Background:
In 2021, the General Assembly allocated $3,000,000 each year of the biennium to the N.C. Community College System (NCCCS) for eligible students pursuing high-demand workforce training programs within workforce pathways identified in collaboration with the Department of Commerce that lead to a State or industry-recognized credential. These funds intend to remove access barriers to high-quality, in-demand, sustaining wage careers for North Carolinians. Through this program, each college is able to determine grant award amounts based on student needs, local industry needs, number of eligible students, and cost of the course/pathway, up to a maximum award of $750 per course. These grants will help address the cost of tuition/registration fees, course fees, books, supplies, credentialing tests, transportation, childcare, and any other components of the total cost of attendance.

Under this program, each college is eligible for an allocation determined by the college's Budget Full-Time Equivalency (BFTE) weighted for each funding Tier as presented in Table 1. Due to the shortened timeframe available to utilize funds this fiscal year, colleges are required by the State Board to submit the attached one-page allocation request and assurances agreement to WCERequests@nccommunitycolleges.edu to request their allocation in their next allocation letter from State Aid. It is important to note, the System President has the authority to reallocate funds during the program year to ensure full utilization of funds. This "opt-in" process facilitates the efficient reallocation of any returned or declined funds.

Eligibility Criteria:
At a minimum, eligible students applying for this scholarship must be:
1) A resident of North Carolina
    a. As required by Session Law 2021-180 Section 6.6. (c), eligible students must establish residency under the criteria outlined in G.S. 116-143.1 following the coordinated and centralized residency determination process administered by the State Education Assistance Authority known as the NC Residency Determination Service (RDS).
2) A Student enrolling in Workforce Continuing Education (WCE) pathways/courses leading to an N.C. Workforce Credential identified as either Essential or Career level. These pathways may consist of a single WCE course or a series of courses. The list of eligible credentials is available at https://nccareers.org/credentials.

Fund Availability:
Funding for this fiscal year is made available through the Current Operations Appropriations Act of 2021 and remains available through June 30, 2022.

Required Workflows:
Due to the complexities of administering these funds and the associated state reporting requirements, Colleges shall follow the workflows provided below utilizing the Colleague Financial Aid module. These required processes will ensure the correct awarding, coding, and reporting of aid to students, and facilitate data matching at the state level to comply with the legislation's reporting requirements. These funds shall not be processed using sponsorship or third-party payer workflows sometimes used for WCE student support programs.

Business Office and Financial Aid job aids are provided below via ServiceNow, and a revision to the 2021-2022 NCCCS Scholarship Guide is now live on the System Office website as a resource to colleges. It includes student application materials that embed directions on completing the legislatively required Residency Determination Service (RDS) process for this grant.

> *Financial Aid: Colleague Scholarship Guide*
> o ServiceNow KB0011672
> *Business Office Workflow: Continuing Education Scholarship Award by Financial Aid*
> o ServiceNow KB0011694
> ▪ *Resource:* AR/CR - Open Lab - Business Office Workflow CE Scholarship Award by FA - 2020-10-12 (Recording) ServiceNow: KB0011735

Colleges experiencing implementation issues should open a ServiceNow ticket to request assistance. ServiceNow can be accessed at https://ncccs.service-now.com/sp. Questions regarding these workflows should be directed to the appropriate BSA noted below.

> Holly Martin, BSA - Financials & Accounts Receivable/Cash Receipts
> martinh@nccommunitycolleges.edu
> Brandi Massey, BSA – Financial Aid
> masseyb@nccommunitycolleges.edu

To further assist colleges, a frequently asked questions (FAQ) document is attached.

Attachments:
    STWD Grant Allocation Request & Assurances
    Frequently Asked Questions (FAQ) Resource

CC: Continuing Education Registrars; Registrars; Planners

Attachment 1: Allocation Request & Assurances

TO: Nate Humphrey
           Associate Vice President, Workforce and Continuing Education Programs
           WCERequests@nccommunitycolleges.edu
           (Do not mail a physical copy or submit to a different email address. This will delay processing.)

SUBJECT: FY2021-22 STWD GRANT: ALLOCATION REQUEST & PROGRAM ASSURANCES

For FY2021-22, the College named on this form requests its eligible STWD Grant Program allocation as indicated:

☐ Full Allocation Released (*Eligible allocation amount provided in Table 1*) with the expectation to fully utilize the funds by the end of FY2021-22 (June 30, 2022)

☐ Partial Allocation in the amount of: $_____ due to an inability to fully utilize funds by the end of FY2021-22 (June 30, 2022)

☐ Declines the allocation for FY2021-22 due to an inability to utilize funds by the end of FY2021-22 (June 30, 2022)

By Signing Below, the College Agrees:

1. To comply with all applicable federal, state, and local requirements, and all STWD Grant Program terms and policies, which include but are not limited to Session Law 2021-180 Section 6.6; the System Office Numbered Memo Re: "FY2021-22 STWD Grant Program - Policies, Required Workflows, and FAQs;" *Financial Aid: Colleague Scholarship Guide (*ServiceNow KB0011672); and *Business Office Workflow: Continuing Education Scholarship Award by Financial Aid (*ServiceNow KB0011694).
2. To ensure all data entered in the NCCCS ERP system(s) and reported to the NC Community College System Office for STWD Grant recipients is an accurate and true accounting of the awarding and transmittal of state student aid.
3. To ensure all student registration, participation, and progress data entered in the NCCCS ERP system(s) and reported to the NC Community College System Office is an accurate and true accounting.

College: _____

Name of STWD Grant Contact: _____   **Phone:** _____

Title: _____   **Email:** _____

Name of Grant Contact Supervisor: _____

Name of College President or Designee: _____

Signature of President or Designee: _____ **Date:** _____

Attachment 2: STWD Grant Program - Frequently Asked Questions (FAQs) Resource

The STWD Grant Program provides a unique opportunity to reduce barriers faced by WCE students pursuing eligible NC Workforce Credential pathways. Because this represents the first-ever state-funded investment in WCE students, this has raised questions on how to implement the program across the three primary involved offices on campus. Below, you will find a frequently asked questions document organized by three primary question types – policy, financial aid, and business office. Further questions not covered in the document should be directed to the individuals below.

Program Policy

Nate Humphrey, Associate Vice President for Workforce & Continuing Education
humphreyn@nccommunitycolleges.edu

Karen Tikkanen, Director for Workforce Continuing Education – Training & Standards
tikkanenk@nccommunitycolleges.edu

Business Office

Brandy Andrews, Associate Vice President for College Finance & Operations
andrewsb@nccommunitycolleges.edu

Joshua Brown, Director for State Aid
brownj@nccommunitycolleges.edu

Financial Aid

James "J.W." Kelley, Associate Vice President for Student Services
kelleyj@nccommunitycolleges.edu

Brenda Burgess, Associate Director for Student Aid
burgessb@nccommunitycolleges.edu

Policy Related Questions:

#	Question	Answer
1	Does the scholarship have to be awarded at the beginning or after the student completes the course? Is the scholarship contingent upon the student completing the course, or is that a local decision?	This program intends to remove *access* barriers to high-quality short-term workforce training. Scholarship funds should be awarded as early as practicable to students and are not contingent upon completing the program. Completion incentivization, while admirable, is not in the intent of this program.
2	If a class does not cost $750, does the student receive the balance?	Yes. Colleges may award up to $750 per course in a pathway. Remaining funds in this first scenario should be refunded to support student needs in costs such

		as books, supplies, credentialing tests, transportation, childcare, or any other component of the full cost of attendance.
3	Are minors or CCP students eligible for this award?	This program intends to remove barriers for individuals seeking short-term workforce training to enter or reenter the workforce. Students meeting all State and local enrollment eligibility requirements and policies and pursuing an NC Workforce Credential listed at https://nccareers.org/credentials/ are eligible.
4	Are CCR students working towards their HSE diploma eligible?	See Question 3 above. If a CCR student is co-enrolled in an eligible WCE Pathway, they would be eligible.
5	Is this based on need, and if so, is it based on the poverty guidelines, or is that a local decision?	As outlined in this memo, the scholarship awards are determined by each college based on student need, local industry needs, number of eligible students, and cost of course, up to a maximum award of $750 per course. The scholarships help cover the cost of tuition, fees, books, supplies, credentialing tests, transportation, childcare, and other components of the total cost of attendance.
6	Are fully-online programs eligible?	Yes - there is no restriction on instructional modality.
7	Are waived students eligible for funding? What if the cost of the course is less than $750?	Yes. Per this memo, costs other than tuition are included in the total cost of attendance for students, including books, supplies, credentialing tests, transportation, childcare, or any other component of the full cost of attendance. Therefore, Colleges are encouraged to consider these in their local determination of need.
8	What are the approved pathways?	As noted in this memo, eligible pathways are those leading to the NC Workforce Credential listed at https://nccareers.org/credentials/.
9	Can we add local pathways?	No. As stated in this memo and as required by the legislation, the State Board of Community Colleges, in collaboration with the Department of Commerce, shall determine the eligible programs of study for the Program, according to the occupations that are in the highest demand in the State. These have been determined to be those identified as NC Workforce Credentials. The complete list, subject to change and additions is listed at https://nccareers.org/credentials/.

10	If we award this upfront, what happens if the student drops? Are they responsible for returning the funds?	No. However, colleges are encouraged to adopt sound local fiscal policies balanced with removing critical *access* barriers. ***Note***: Under no circumstance should a student registering prior to the first day of class and who is awarded financial aid under this program sufficient to cover their entire balance be required to pay and receive reimbursement for their registration costs. The intent of this program is to remove these types of *access* barriers. Additionally, any excess award shall not be withheld beyond the census date of the course and colleges are encouraged to release these funds as soon as possible.
11	Can students who are currently enrolled in a class now apply for the scholarship to use the funds to assist with the balance of their course fees or any other component of their total cost of attendance?	Yes. Any student enrolling or enrolled on or after July 1, 2021, is eligible.
12	Are we required to use the application provided, or can we adapt it to our local needs?	Colleges are encouraged to use the provided application and amend as needed locally.
13	If the class is canceled or the student does not come to class, should program staff notify financial aid?	Yes. This program intends to remove access barriers to high-quality short-term workforce training. Colleges are encouraged to adopt sound local fiscal policies balanced with removing access barriers. To achieve the objectives of the STWD Grant, the WCE program, financial aid, and business office staff must collaborate and establish all communication channels needed to successfully administer the program.
14	Can we apply scholarship funds directly to the cost of the class? (Sponsored/Third-Party Billing)	No. For reporting and accounting purposes, Colleges shall utilize the Financial Aid process in Colleague to administer this program. This is a mandatory requirement of these funds. Colleges will be monitored monthly to ensure the provided Financial Aid and Business Office processes are being followed to ensure accurate state reporting.

Business Office Related Questions:

#	Question	Answer
1	Do these students need to report SSN for 1098T reporting?	The instructions for Form 1098-T state that reporting is not required for anyone who is not seeking academic credit (CE students). However, the IRS is implying that Colleges do not have to report when net QTRE is zero. If a CE grant/scholarship exceeds QTRE, it is a potentially taxable gain and should be reported. As with prior 1098T communications, colleges must decide the level of risk of interest and penalties Colleges are willing to take. Otherwise, the safest option is to collect the SSN and report. Colleges should apply this decision consistently with decisions made for CE students in the past.
2	Will this process result in double-counting revenues and expenses? Will colleges need to make elimination entries during Financial Statements?	Correct. Similar to Golden LEAF (when it was put on the 112), colleges should include the STWD Grant Program on the year-end list of needed elimination entries for financial statements.
3	For the STWD funds awarded, do we cut checks to institutional funds at the time of award? Do colleges cut one check to institutional and then at year-end cut it back to State?	Colleges should cut checks when awards have been transmitted and post to the student's account. Colleges are reminded that STWD funds are made available through allocation. Please do not write a check to return funds to the System Office.
4	With Golden LEAF, we were provided with an object code; what object code do we need to use for the STWD Grant?	A state funds general ledger object code will not be assigned for STWD - the only code assigned is purpose code 554 with vocational code 80 for the state budget and expense. Note: Do not use a state fund code in the Financial Aid setup.
5	Can we move all funds at once into Institutional from State, or do we have to wait until they are awarded?	No. Colleges should only move funds once the awards have been transmitted and post to the student's account. Funds should not be moved to create a positive fund balance in institutional funds, only to pay for a negative fund balance created by the transmission of awards.
6	Will colleges have to process the FATR with a Curriculum term to allocate to course fees appropriately?	This is correct. At the present time, the FA transmittal process cannot be award to CE terms due to overlapping term dates. A Business Office workflow document has been created to assist in this process.
7	How are payments applied to the class?	A Business Office workflow document has been created to assist in this process.

Financial Aid Related Questions:

#	Question	Answer
1	Is this process something colleges will be doing for all CE scholarships from now on? (Running through FA?)	No. Only four programs require this approach due to their complexities – STWD Grants, GEER Scholarships, Golden LEAF, and the BCBS - Firefighter Scholarship program. However, nothing prevents a local college from using this approach for other scholarship programs.
2	Do we need students to sign a release?	Yes. Colleges are encouraged to utilize the sample release provided in the Scholarship Guide.
3	Are we expected to go back and create all of the new award codes referenced in the scholarship guide and transmit ALL CE funds for 2021-22?	Only four programs require this approach due to their complexities – STWD Grants, GEER Scholarships, Golden LEAF, and the BCBS - Firefighter Scholarship program. However, nothing prevents a local college from using this approach for other scholarship programs.
4	How do colleges "transmit" CE awards?	Colleges should follow the outlined processes as outlined in the Colleague Scholarship Guide (ServiceNow KB0011672).