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OFFICE OF THE LEGISLATIVE AUDITOR

STATE OF MINNESOTA

Evaluation Report Summary / March 2009

MnSCU Occupational Programs

Major Findings:

- The Minnesota State Colleges and Universities (MnSCU) system generally does a good job of assessing economic conditions and workforce needs, but twoyear colleges do not consistently consider market needs for workers when managing existing programs.
- MnSCU colleges use various approaches to identify the skills and workers that employers need, but not all are uniformly effective.
- Not all colleges have statements of mission, vision, and purpose that express the importance of meeting employers' needs.
- In reviewing programs, several colleges conducted only a limited analysis of job prospects for graduates.
- MnSCU's 2007-2008 cap on electrician program enrollment was based on a documented surplus of workers, but it lacked sufficient consideration of local economic conditions.
- MnSCU's surveys of graduates regarding jobs have limitations, and little else is done to understand whether graduates find relevant jobs. Some colleges had job placement rates for graduates from all programs, including occupational programs, that fell below MnSCU standards.

 MnSCU has no centralized oversight of colleges' information on career exploration and job opportunities, and variation has led to gaps in information on job prospects for students.

Key Recommendations:

- All colleges' statements of mission, vision, and purpose should reflect priorities in state law and board directives, and the Office of the Chancellor should monitor the statements.
- When reviewing occupational programs, all colleges should assess how well the supply of graduates and workers matches the demand for employees.
- MnSCU should explore improvements to how it assesses graduates' success at finding jobs related to their programs.
- When reassessing its enrollment cap on electrician programs, MnSCU should take local economic conditions into greater account.
- Colleges should improve program advisory committees that are not fulfilling their potential.
- MnSCU's Board should by policy require colleges to ensure that information on careers and job opportunities is getting to students who need it.

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Report Summary

Occupational programs prepare postsecondary students for skilled occupations, such as carpentry and law enforcement. With 75 percent of the state's occupational program awards conferred to students in the Minnesota State Colleges and Universities (MnSCU) system, MnSCU is the largest educator of this type in Minnesota. MnSCU's 30 technical colleges, community colleges, and combined colleges, which are located on 45 campuses around the state, offer the programs.

A 15-member Board of Trustees, appointed by the Governor with Senate consent, governs MnSCU. Trustees appoint a chancellor who is chief executive officer for the system, and they select college presidents. For fiscal year 2008, operating expenses for the MnSCU system amounted to \$1.6 billion. Most revenues come from state appropriations and tuition.

As part of its strategic plan, MnSCU's Board of Trustees has set a direction of providing programs and services that enhance state and regional economic competitiveness. To identify economic needs, colleges take a variety of steps. For instance, college representatives serve as members of business alliances, such as for health care or energy needs.

MnSCU generally does a good job of understanding economic and workforce conditions, but colleges do not consistently consider market needs for workers when managing their programs.

Colleges respond to employers and economic conditions by interacting with employers in various ways, such as developing programs that meet professional standards or incorporate needed skills. But in reviewing their programs and proposing to add, change, or close programs, colleges

have not consistently assessed market supply and demand for jobs.

Colleges rely heavily on program advisory committees to identify employer needs, but not all committees work effectively.

For occupational programs, colleges are required to establish advisory committees. Committees consist of employers, students, and faculty, and their chief duty is offering guidance on program design and operation.

College presidents we interviewed spoke highly of the committees' value, yet most said not every committee was working up to its potential. Most committee members we surveyed held favorable impressions of the committees, but our survey also identified problems.

Some committees meet too infrequently, and many colleges have committees that are either too large or too small. Some committees have too few employers or other professionals. Some members said their committees were inactive in undertakings typical of the committees, such as identifying retraining for instructors.

Colleges should provide better oversight of program advisory committees. They should also improve those that are not fulfilling their potential.

Some colleges' mission statements and strategic planning documents do not address employer needs.

Board policies and other sources say it is important for colleges to express their missions with consultation from employers. Three colleges, though, have mission and vision statements that do not reflect the importance of meeting employer needs. Three other colleges have high-level planning documents with vague or indirect references to employer needs. All MnSCU college mission, vision, and purpose statements and strategic planning documents should

Colleges should improve the program advisory committees that are not working effectively. SUMMARY 3

reflect priorities in state law and board directives. The Office of the Chancellor should report on the alignment of system and college missions and consider how well college missions address economic needs.

Five colleges' policies for reviewing programs do not address employer input, and the reviews do not consistently measure job demand.

Board policy requires colleges to conduct program reviews as a way to plan for and improve their programs. Program review policies for five colleges make little mention of input from advisory committees or other professional viewpoints, although input is required.

Most of a sample of program reviews had only a limited assessment of employment prospects for enrolled students, and colleges' use of job forecasts was inconsistent. Student enrollment and program costs, more than job prospects, drive program closures.

When reviewing programs, all MnSCU colleges should assess supply and demand for workers, and college policies should require it. To help, the Office of the Chancellor should analyze employment sectors likely to see more workers than jobs.

MnSCU based its statewide enrollment cap for electrician programs on a documented surplus of workers but lacked sufficient consideration of local economic conditions.

Following complaints about an oversupply of electricians, the Office of the Chancellor capped enrollment in electrician programs in 2007 and 2008. Some parts of the state, however, have not had the same depth of job losses as the Twin Cities region. Certain college presidents said employers in their regions continued as of fall 2008 to seek electrician program graduates. When MnSCU reassesses the caps, it should

take local economic conditions into greater account.

MnSCU surveys of graduates' job placements are a potentially useful source of information on occupational programs, but the data have limitations.

Within a year of graduation, colleges contact graduates on their job status. For graduates of college programs overall in 2004-2006, nine colleges had lower-than-expected rates of related employment. For graduates of all programs in 2006, the rates ranged from 63 percent at Pine Technical College to 99 percent at Lake Superior College.

For some occupational programs, the value of related employment rates is limited because rates are based on a small number of graduates. In the survey of graduates from 2007, 54 percent of the programs had six or fewer graduates. Further, at some colleges, information on job placements for most graduates came from sources other than the student, such as faculty. Colleges do little else to supplement the data. MnSCU should explore improvements to assessing graduates' success at finding relevant jobs.

Changes in some MnSCU occupational programs matched trends in statewide employment, but colleges' flexibility is limited.

As a share of all MnSCU programs from 2001 to 2008, programs on health care support services increased 17 percent. Similarly, as a share of all employment, jobs in health care support increased 18 percent, and jobs for health care practitioners increased 14 percent. Concurrently, MnSCU's manufacturing programs declined as a share of all programs, as did manufacturing/production jobs as a share of statewide employment.

Colleges face limitations in trying to meet economic and workforce needs.

Student enrollment and program costs, more than job prospects for graduates, drive colleges' decisions on closing programs. MnSCU's Board of Trustees should by policy require colleges to ensure that information on career exploration and job opportunities is getting to the occupational program students who need it.

Several college presidents said they cannot open a new program unless they close an existing one. Program start-ups frequently require major equipment purchases, constraining flexibility.

Colleges have actively managed their occupational programs, but they rely heavily on the Office of the Chancellor to document effects on job markets.

Between 2001 and 2008, MnSCU colleges made more than 9,600 proposals to add, change, or close programs. A sample of proposals for new programs showed that colleges were responsive to employers. Colleges consulted employers to develop curriculum and identify skills to be taught.

In 2007, the Office of the Chancellor strengthened requirements for approving new programs, in part to require quantifying job prospects. In past proposals, colleges frequently provided minimal or no information to quantify employer demand for workers. Largely because of work by the Office of the Chancellor, proposals for new programs receive extensive reviews of job prospects.

MnSCU has no centralized oversight of information from colleges on career exploration and job opportunities, and there are gaps in student information on job prospects and related topics.

MnSCU's Board of Trustees has not adopted policies governing information on career exploration and job opportunities. Colleges take steps to inform students about job prospects, but student leaders we surveyed and some college representatives we interviewed said not enough is being done about getting information to all students who may need it.

Information on careers and job opportunities is available, but few colleges require students to use it. Faculty often provide job information, but their involvement varies by program and may leave some students uninformed. MnSCU's Board of Trustees should by policy require colleges to ensure that career and job information is getting to students who need it. All colleges need ways to systematically inform students about job prospects.

Summary of Agency Response

In a letter dated March 6, 2009, MnSCU Board of Trustees Chair David Olson and Chancellor James McCormick said MnSCU concurs with OLA's recommendations. They said they intend to strengthen their "ties to employers and improve the information provided to students on job prospects." They described plans to address each of the report's recommendations, including steps to require analyzing workforce demands when colleges review their academic programs. They will also develop policies and work with the colleges to ensure that occupational students receive the information they need on career exploration and job prospects.

The full evaluation report, *MnSCU Occupational Programs*, is available at 651-296-4708 or:

www.auditor.leg.state.mn.us/ped/2009/mnscu.htm