

This response was prepared for Pad McCracken, Montana Legislative Services Division

Your Question:

You asked about states providing financial support to two-year postsecondary institutions to develop workforce training programs.

Our Response:

States have considered and enacted three general types of policy to create or expand workforce programs at postsecondary institutions. Policy approaches include:

- Direct funding or grant programs to postsecondary institutions for workforce programs.
- Funding or grant programs for postsecondary institutions to purchase equipment or expand their capacity to offer workforce relevant programs.

Generally, the financial incentives and directives to create programs require a collaborative effort between postsecondary education, the state workforce or labor agency and the business community.

The examples highlight legislative action that creates funding streams for programs and equipment. There are likely ongoing appropriations within state budgets that allocate funds for workforce programs at postsecondary institutions. The appropriations may be general, and institutions opt to use them for workforce specific programs.

Funding to Postsecondary Institutions to Create Workforce Programs

States often structure funding for workforce specific programs as grants to postsecondary institutions for the creation of a workforce specific program. Often there is a requirement for postsecondary institutions to partner with the business community or workforce development organizations to be eligible to receive the funds. In some instances, funded programs must be focused on specific industries or skills tied to high-demand fields in the state.

Illinois: In 2019, the state enacted [S.B. 1919](#), which requires the state board to establish and administer the 21st Century Employment grant program. Community colleges and public high schools that have established collaborative partnerships with workforce development organizations can apply for the grant. The applicants must submit a plan that outlines the collaboration, how the program will develop specific professional skills, a description of who will enroll in the program, the certificates offered, and a budget. The program focuses on the manufacturing, healthcare and technology industries. The state board has created an [advisory council](#) for the grant program.

Funding to Postsecondary Institutions for Equipment and Infrastructure for Workforce Programs

In addition to providing funding for program creation, states have enacted legislation that appropriates funds or develops grant programs for equipment for postsecondary institutions for workforce development programs. In some instances, states have connected funding for equipment and program creation.

Mississippi: In 2019, the state enacted [H.B. 1171](#), which appropriates \$6.75 million to support workforce development centers and advance training centers to defray startup costs for programs and the replacement of obsolete equipment at community and junior colleges. In addition, the legislation appropriates \$3 million to the state community college board to enroll adults with lower skill levels in career pathways that combine high school equivalency, skills training and workforce credentials.