VIRGINIA BOARD OF WORKFORCE DEVELOPMENT

Preliminary Report

Hampton Roads Skilled Trades Rapid On-ramp Network for Growth

Instructor Salaries for Noncredit Workforce Training Programs

Developed in collaboration with the Virginia Community College System and the Department of Workforce Development and Advancement

Approved by the Executive Committee of the Virginia Board of Workforce Development on October 25, 2024.

I. Introduction and Purpose

The Hampton Roads Skilled Trades Rapid On-ramp Network for Growth (HR STRONG) is an initiative that supports career access and training opportunities in the region's industries. The initiative is funded by the State of Virginia general fund and is designed to collaborate with the Hampton Roads Workforce Council to support the following industries: naval shipbuilding, offshore wind, and road and tunnel construction.

In Chapter 2, Item 354 B2 of the 2024 -2026 Virginia biennial budget, the initiative also includes a review of instructor salaries for noncredit workforce training programs which states the following:

> The Virginia Board of Workforce Development in collaboration with the Virginia Department of Workforce Development and Advancement and the Virginia Community College System shall review instructor salaries for noncredit workforce training programs offered as a part of the Hampton Roads Skilled Trades Rapid On-ramp Network for Growth (STRONG) initiative funded in this paragraph. This review shall include examining current instructor salaries for noncredit workforce training compared to current market rates for aligned professor positions; current approaches to funding instructor positions for noncredit and for credit courses offered as a part of the STRONG initiative; and options for increasing instructor salaries in noncredit course offerings, including appropriate funding model reforms. The Virginia Board of Workforce Development shall submit its preliminary review and recommendations to the Chairs of the House Committees on Appropriations and Education and the Senate Committees on Finance and Appropriations and Education and Health on or before November 1, 2024, and a final report of its review and recommendations on or before by June 30, 2025.

The purpose of this preliminary report is to provide an approach, framework, and methodology for the final report that will be submitted to the to the Chairs of the House Committees on Appropriations and Education and the Senate Committees on Finance and Appropriations and Education and Health on by June 30, 2025.

II. Background Info

In the State of Virginia 2024 – 2026 Biennium Budget, $4,000,000 was approved for the HR STRONG initiative (Authority: Title 2.2, Chapter 20.2, Code of Virginia). Specifically, $2,000,000 the first year and $2,000,000 the second year from the general fund is designated for economic development programming under the Hampton Roads Skilled Trades Rapid On-ramp Network for Growth initiative.

A. What is HR STRONG? (Programs and colleges involved with HR STRONG)

HR STRONG is an initiative to support workforce development efforts for the skilled trades in Hampton Roads. It is a program that provides training and opportunities for careers in the maritime industry in Hampton Roads, Virginia. The program is run by the Hampton Roads Workforce Council (HRWC), a local government unit that oversees workforce development programs for the region. HR STRONG offers a variety of training and support services, including connections to industry employers, employer engagement activities, hiring events and interviews, financial assistance, and pre-screening. The program's goal is to grow the pipeline of skilled workers needed for critical industries in the region, such as shipbuilding, ship repair, and offshore wind.

HR STRONG represents a true public-private partnership that will help close the current gap between the extensive and growing demand for capable skilled tradespersons and the necessity for stable careers offering a family-sustaining wage for those who most need them.

HR STRONG will support:

(1) Increased Navy ship construction, repair, modernization, and maintenance programs

(2) Infrastructure and Road expansion projects, such as the Hampton Roads Bridge-Tunnel

(3) The Coastal Virginia Offshore Wind project

(4) The critical need to promote career access and opportunities for historically underserved communities

Programs and colleges:

Marine Trade Training (MTT) program is delivered in partnership with the Virginia Ship Repair Association, Paul D. Camp Community College, Virginia Peninsula Community College, and Tidewater Community College that offers MTT Electrical, MTT Sheet Metal, MTT Welding, MTT Coatings, MTT Pipefitting, and MTT Outside Machinist training programs. However, other programs at the community colleges are available including Shielded Metal Arc Welding (SMAW), Gas Metal Arc Welding (GMAW), and Flux-Cored Arc Welding (FCAW). While focused on MTT Training, HR STRONG will continue to prioritize training with the community colleges, however, and where needed, will expand to enroll participants in maritime skilled trade training with training providers on our approved Individual Training Account (ITA) list. Providers include, but are not limited to, the Advanced Technology Institute, QED, Tidewater Tech, Centura, VA Technical Academy. Programs vary including Wind Turbine Technician, Computer Numerical Control (CNC) Machining, Basic Machining, and Combination Maritime Welding.

B. Context of the Virginia Community College System - Credit vs noncredit; full-time vs part-time; academic vs adjunct

At VCCS, courses generally fall into two categories: **credit** and **non-credit**.

- **Credit courses** are designed for students who aim to earn an associate degree, certificate, or prepare for transfer to a four-year institution. These courses are part of the academic track within the community colleges, but may also include career and technical courses aligned to an applied associate degree or shorter term certificates that lead a student directly into work.
- **Non-credit courses**, on the other hand, focus on personal development, professional skill-building, or obtaining specific job-related credentials. These are part of the **workforce development** or **continuing education** programs, which are considered outside the

academic pathway. These programs are often grouped under the FastForward program that provides state support for high demand programs that lead to industry recognized credentials. The G3 program also offers financial support to students in programs aligned to particular industries.

Credit Courses

Students enrolling in credit courses typically:

- Complete an associate degree then transfer to a four-year school to finish your bachelor's degree.
- Earn an associate degree, certificate or career studies certificate that provide them with marketable credentials to help them enter an occupational or technical job immediately after graduation.
- Change careers and want credentials in their new profession.

Non-Credit Courses (Workforce Services)

Students are able to do the following:

- Prepare for jobs in accelerated, industry specific training
- Upskill or reskill to gain employment or move ahead in a career
- Take classes in formats that include classroom, virtual, and hands-on lab-based instruction
- Learn skills on state-of-the-art equipment
- Earn industry-recognized credentials that are portable and stackable for credit as students return for higher levels of education

Note that most colleges also offer customized training for businesses that are seeking specific skills or abilities for a select number of employees. Such training is generally developed by college curriculum experts and delivered by a college instructor through a contract for services between the business and the college.

Faculty Structure: Credit vs. Non-Credit Programs

- **Credit courses** are typically taught by a combination of **full-time faculty** and **adjunct instructors**. Full-time faculty provide stability, consistent teaching quality, and have a larger institutional presence, but they also come with higher employment costs due to salary and benefits.
- **Non-credit programs**, in contrast, are primarily staffed by **adjunct** or **part-time faculty**. This staffing model allows for more flexibility in scheduling, especially given the short-term and industry-specific nature of many workforce programs. However, the lack of full-time faculty in non-credit programs can pose challenges in terms of program continuity, scheduling, and long-term student engagement.

The majority of non-credit instruction currently delivered in the system is provided by part-time, adjunct instructors typically contracted on a course-by-course basis. Wages are negotiated per contract based on program need, fair market rate, and course requirements. Colleges currently employ various strategies to secure non-credit instructors based on their unique needs and constraints. These include the following workforce development instructor categories:

a. Workforce Development **Adjunct** Instructor
b. Workforce Development **Full-time** Instructor
c. **Full Time Academic Faculty Contracting** as WD Adjunct Instructor
d. Third-Party Training Provider
e. Temporary Employee/**Temporary Staffing Agency**
f. Consultant

Balancing Full-Time and Adjunct Faculty

In credit courses, full-time instructors play a key role in maintaining program consistency and institutional alignment. However, hiring full-time instructors increases direct costs, especially in high-cost programs, due to benefits and higher compensation packages. This is a significant consideration when programs are operating on tight margins.

For non-credit programs, relying on part-time and adjunct faculty provides cost-efficiency and flexibility, but it can lead to challenges in ensuring the same level of continuity and connection with students compared to full-time faculty in the credit-bearing programs.

Key Challenges: Non-Credit vs. Credit Faculty Models

- **Full-time vs. part-time instructors**: Full-time faculty in credit courses contribute to deeper institutional engagement and consistency in instruction but can increase operational costs.
- **Adjunct reliance** in non-credit programs keeps costs down but may result in less stability and fewer opportunities for long-term student-faculty interaction.
- **For all highly technical courses and programs, regardless of credit or noncredit format, attracting and retaining faculty (full or part-time) is a challenge for all colleges.**

C. Current funding model for non-credit programs – Cost components outside of instructor salaries.

Non-credit programs in Virginia, particularly FastForward workforce development programs, follow a funding model where revenue is primarily generated through tuition, as these programs are expected to be self-sustaining. The costs of these programs extend far beyond instructor salaries, encompassing a variety of other critical components. FastForward programs are priced in a manner that sets a maximum price allowable for all colleges. The pricing process takes into account the cost of instructors as well as several other factors to ensure that the prices advertised are the prices that will cover all materials, supplies, and fees that a student and the state will cover the cost of in the “third-third-third” tuition model for FastForward courses.

1. **Student Supplies**
   Non-credit program costs include student-provided materials such as textbooks, specialized equipment, uniforms, or tools required for the course (e.g., safety shoes for trade programs). These are essential for students to fully participate in hands-on training and industry-specific learning environments.
2. **Credential Exam Fees**
   Many non-credit courses prepare students for certification or licensure exams, which often carry significant fees. These exam costs are typically passed on to students as part of the total course fees. In some cases, programs may incorporate or subsidize these fees into tuition costs.
3. **Insurance**
   Certain non-credit programs, particularly in high-risk trades or healthcare, require insurance coverage for both students and the institution. This can include liability insurance or coverage for the use of specialized equipment, and these costs are factored into the overall program budget.
4. **Overhead Costs / Indirect Costs (IDC)**
   Non-credit programs also incur overhead costs, often referred to as indirect costs (IDC). These include utilities, facility maintenance, administrative support, and other expenses that are not directly tied to instruction but are necessary for program operation. These costs are typically factored into the tuition or course fee model.
5. **Lab Facilities and Consumables**
   Workforce programs, especially in high-cost fields like trades or healthcare, require specialized lab facilities. Maintaining these labs involves ongoing costs for consumable materials (e.g., welding supplies, healthcare simulation tools) and equipment upkeep. These expenses significantly impact the cost structure of non-credit programs.
6. **Revenue Requirements**
   Since non-credit programs do not receive FTE-based state allocations—unlike credit programs—they must generate enough revenue through tuition to cover all program expenses, including direct instructional costs and administrative unit overhead. This is a key difference from some other states, such as North Carolina, where non-credit programs receive more robust state funding.
7. **Minimal State Operational Support**
   While each Virginia community college does receive some annual operational support from the state for non-credit programs, this funding is minimal. The primary state investment in non-credit programs comes through **Workforce Credential Grant (WCG) funds**, which are distributed as student financial aid to help cover tuition for eligible individuals. This means that direct state support for non-credit program operations is limited.
8. **Private Industry Salary Comparisons and Instructor Recruitment Challenges**
   Non-credit workforce programs often struggle to attract and retain qualified instructors, especially in high-demand fields like trades, because private industry salaries are

significantly higher. Instructors in these fields have numerous job options outside of education, making it difficult for community colleges to compete. Instructor salaries, along with the need for specialized facilities and consumables, drive up the overall cost of delivering these programs.

All HR STRONG non-credit programs are high-cost programs - lab facilities, instructor salaries, consumables, etc. Trade programs are very expensive to deliver, and qualified instructors are hard to attract and retain because they have so many available options in the private sector.

III. Study Approach and Methodology

The Virginia Board of Workforce Development (VBWD) will create a survey to be sent to TCC, VPCC, PDCCC, and ESCC to gather annual wage and salary data for FY2023 and FY2024. This will include information for both credit and non-credit instructors and faculty in the specified program areas. Median annual wages will be calculated for each program area and compared to the median hourly and annual wages reported in Lightcast occupational data for the Hampton Roads service region during the same period. The results will be shared with relevant stakeholders, leading to feedback and subsequent actions. The VCCS will support the VBWD in distributing the survey to the colleges and in collecting the necessary information for their report. The Department of Workforce Development and Advancement (Virginia Works) will assist in gathering additional data and providing research support for the effort.

IV. Next Steps

The VBWD will work with Virginia Works and the VCCS over the coming months to implement the review. The VBWD will receive updates of the review at its quarterly meetings in December 2024, March 2025, and June 2025. The VBWD will finalize the report at the June 2025 meeting.

V. Conclusion

To be provided in the final report due June 30, 2025.

VI. Appendix/References