

**GEORGIA LEADS:**  
**A 21<sup>st</sup> Century Vision for Repositioning Continuing Education**  
**in the**  
**University System of Georgia**

**A Report to the Board of Regents of the**  
**University System of Georgia**

**April 2002**

## EXECUTIVE SUMMARY

All 34 units of the University System of Georgia provide assistance through “continuing education” programs to the people, agencies, and businesses of Georgia. These programs provide an excellent education resource within their areas of the state, but there is little interaction between them. Access to needed development programs relates largely to geography. The obvious benefit of 34 dynamic programs organized and linked to meet emerging state needs should be emphasized. State-level needs assessment and communication with businesses, agencies, and organizations representing the majority of workers must not be neglected. The University System must address these needs by redirecting and restructuring the System’s continuing education mission that is a vital link to the economic and social success of our state. To respond to these and related issues the committee recommends the following actions:

- **Endorse a 21<sup>st</sup> century professional and personal development program for all Georgia citizens.**
- **Adopt a new mission statement for the state professional development initiatives.**
- **Launch a new statewide effort known as Georgia LEADS (Lifelong Education and Economic Development Services).**
- **Establish a new state-level position to oversee and coordinate Georgia LEADS initiatives.**
- **Develop opportunities more accessible to citizens and businesses.**
  - **Develop institutional incentives to share programs.**
  - **Establish a professional development program for System institutional personnel.**
- **Develop ways for workers to apply non credit work toward credit programs.**
- **Improve communication to presidents concerning the importance of the new state initiative and review of institutional titles and levels.**
- **Continue full funding of continuing education in Formula.**
- **Award institutional allocation of Formula Continuing Education Unit funding on a performance basis, with a small portion of such funds used for System personnel and statewide programming related to Georgia LEADS.**
- **Allow institutions to carry forward to the next fiscal year funds generated in continuing education/economic development of the state.**
- **Identify and develop financial inducements for citizens to improve their professional and work skills through Georgia LEADS.**
- **Encourage institutional leaders to take responsibility for enhancing and supporting both campus-based continuing education and Georgia LEADS initiative.**

## **Background of the Study**

In summer 2001 the University System Office of the Board of Regents contracted with Dr. David Morgan, Senior Fellow at the University of Georgia's Institute of Higher Education, to conduct a comprehensive study of continuing education in the System and to present recommendations for improving its delivery. Dr. Morgan visited all 34 campuses to meet individually with continuing education leaders and with presidents and academic and business vice presidents. He also met with and sought the advice of others within Georgia and in other states. In September of 2001 all continuing education directors were invited to meet and develop new strategies for continuing education in Georgia. In January 2002 Senior Vice Chancellor Dan Papp appointed a steering committee to assist Dr. Morgan in conceptualizing and refining the recommendations contained in this report. Steering committee members are:

- Dr. Thomas Z. Jones, President (Chair)  
Armstrong Atlantic State University
- Dr. Kathy Bradley, Director of the Division of Continuing Education  
Medical College of Georgia
- Dr. Mollie Brown, Vice President of Academic Affairs  
Albany State University
- Dr. Art Dunning, Vice President for Public Service and Outreach  
University of Georgia
- Dr. Thomas Isherwood, Vice President of Academic Affairs  
Macon State College
- Dr. Mark Pelton, Dean of Continuing Education and Public Service  
Georgia College and State University
- Mr. Michael Vollmer, President  
Abraham Baldwin Agricultural College

Special appreciation is expressed to Annie Hunt Burriss, Assistant Vice Chancellor for Development and Economic Services, who conceived of the need for this study and supported it fully, and Dr. Grover Andrews, recently retired Director of the Georgia Center for Continuing Education located at the University of Georgia, who provided historical context and excellent advice at every stage.

This study was supported by an Intellectual Capital Partnership Program (ICAPP) Needs Assessment grant.

## Recommendations and Rationale

The role of the University System of Georgia in offering credit-bearing courses and degrees to approximately 217,000 citizens (Fall 2001) is essential to the lifeblood of Georgia. Though not as well known or understood, continuing education activity is equally important to the fabric of our state. In Fiscal Year 2001 alone more than 415,000 Georgians participated in 23,000 continuing education courses. Nearly 293,000 of these adult students enrolled in professional and occupational development courses that helped them prepare for higher paying jobs or to improve productivity at their current jobs. It is for these students that the following recommendations have been developed:

**Recommendation 1. That the Board of Regents endorse as a System priority the development of a 21<sup>st</sup> century professional and personal development program for all Georgia citizens.** If Georgia is to be competitive as a state in the global marketplace, its workforce must have easy access to development opportunities that permit individuals to progress in their jobs. Similarly, the System must be more responsive to small businesses, corporations, agencies and organizations and their statewide development needs. More robust opportunities also should be available to Georgians to enrich their personal lives. These opportunities allow individuals to achieve milestones in their personal lives: they are a key component to happy and productive citizens, in turn making the state more attractive to the business community for new ventures.

**Recommendation 2. That the Board adopt the following mission statement for its new statewide professional development initiative:** *To make readily available to Georgians, their employers, governmental agencies and organizations a coordinated program of professional and extended learning services throughout the state. These educational services will enhance the educational attainment of individuals and support the economic development of business and industry in the state.* The purpose of Georgia's restructured program is to meet the needs of defined stakeholders by providing organized, strategic, lifelong education designed to positively enhance Georgia's educational, economic, health care, cultural and social advancement. Much of this thrust will be in response to identified business needs. Therefore a repositioned state-level continuing education initiative should collaborate with State leaders to identify and develop programming in key areas of "state need" such as special education or technology modules for teacher in-service training, health care, management courses on assimilating Hispanic and other international workers, courses which assist small business entrepreneurs conduct business overseas, and training modules for literacy tutors.

**Recommendation 3. That the Board designate its new statewide effort "Georgia LEADS" with LEADS being an acronym for Lifelong Education and Economic Development Services.** The name **Georgia LEADS** not only communicates success and excitement for the System's new statewide program, but it also provides a brand name by which citizens and employers will come to identify the System's new initiative.

*Adopting these recommendations will underscore the importance that the Board puts on professional development as a critical link between the USG and the state's economic*

*development. It also will signify to the leadership of every USG campus that responding to citizen and corporate needs is essential to Georgia's health, and a parallel component to the System's role in undergraduate and graduate education. This new vision will require the following structural changes.*

**Recommendation 4. That the Chancellor establish in the University System Office a position to oversee this new System focus. This professional will provide leadership to the 34 Georgia System institutions as they work jointly to implement this new initiative, and will serve as liaison to state-level agencies, businesses and organizations.** This individual also will help structure the new program and lead in the establishment of its goals and desired results at the state level and within the context of institutional missions. New information and reporting processes also will be needed to manage this effort.

**Recommendation 5. That the Chancellor direct the new professional to lead the System in establishing coordinative mechanisms so that professional and personal development opportunities are easy for citizens, businesses and agencies to access.** Emphasis should be placed on consolidating information so that individuals and businesses do not have to contact each campus in an area or in the state to determine what development opportunities are available. Other postsecondary entities, such as technical and private colleges, also should be approached about collaborating to develop easier information pathways for individuals, and to better meet the education and training needs of Georgia's employers. **It is further recommended that the Board and Chancellor develop incentives for System institutions to collaborate on professional development programs for citizens, perhaps by designing streamlined methods for sharing CEUs and registration fees when cooperating to offer programs.** By the System assuming the statewide role for offering citizens professional development, the educational resources of all institutions could be organized through a consortium to meet needs wherever they exist, with new ways of accounting for and funding the effort. Since curriculum and electronic instruction can be shared, institutions in even the most rural areas will not be limited to offering only those programs for which there are local instructors. Georgia Globe, the Office of Advanced Learning Technologies, and the new Gwinnett University Center facilities could serve as System resources, while individual institutions could be called upon to offer programs of excellence throughout the State—even for System employees. **It is further recommended that the Chancellor direct the new professional to coordinate the establishment of a training program for institutional professional developers.** The shoemaker's children must have shoes! Those who lead the professional development must, themselves, have access to specifically designed training programs that prepare them to implement **Georgia LEADS**. This will enable the establishment of standards of practice for staff and an ongoing comprehensive training agenda to ensure the effectiveness of the program.

**Recommendation 6: That the Board and Chancellor authorize development of a limited series of professional development ladders, so that Georgia workers can, in certain settings, seamlessly apply their non credit professional development courses toward credit-oriented programs.** In some occupations it would be beneficial for

employees, when circumstances change, to use knowledge gained from non credit classes to help bridge into a certificate or degree program. Strong Chancellor and Board leadership in this area would help resolve many of the current barriers which discourage working adults from pursuing further education.

**Recommendation 7. That the Board and Chancellor communicate to System presidents the high priority of this new initiative and consider the advisability of similar position titles and levels for campus continuing education administrators.** To assist in economic development it is important for both potential and existing businesses and corporations, state agencies, and the public to be able to easily and quickly access the resources and services of the University System. Having a part of the continuing education function titled **Georgia LEADS** on each campus headed by professionals with similar titles would be a start in the right direction. Institutions with research and consulting capabilities may consider marketing these services statewide through this effort.

*The development of **Georgia LEADS** requires no new State funds! What is needed from the System's funding partners is a commitment to continue their support for citizen upgrading via the Formula and to help the System develop its vision of a repositioned professional development program dedicated to improving the lives of Georgians and the economy of our state. In addition, the following changes in System and state budgeting processes are needed:*

**Recommendation 8. That the Board and Chancellor work with the System's funding partners to communicate the need to fully fund continuing education in the Formula.** Georgia's economy benefits when its workers and citizens improve themselves, becoming better educated and fulfilled. This implied benefit to the State is embedded in the Formula through funding of continuing education units—a measure of time and energy expended in a structured educational program. Reduction of this historic state support—as witnessed in the Fiscal Year 2003 budget—will surely increase gaps in service to those with the greatest need. The success of the **Georgia LEADS** economic development initiative will be directly tied to the continued funding partnership between the System, the Governor, and the General Assembly.

**Recommendation 9. That the Board and Chancellor ensure that a significant portion of Formula-generated funds for continuing education programs should be distributed annually, through a line item, to University System institutions in proportion to the number of CEUs generated by each institution.** Currently there is no apparent connection between the number of continuing education units (CEUs) generated by an institution and the amount it is allocated for this purpose. In fact, institutions are not informed of the amount they receive for continuing education. Since institutions are neither recognized nor rewarded for their successes in continuing education, it is not surprising that not all of the CEUs generated are being reported—which has resulted in reduced appropriations to the University System. **It is further recommended that the remaining portion of these funds be used to provide System office personnel and programming support of University System initiatives**

**relating to statewide efforts of Georgia LEADS.** While the redirection of a modest level of support from this existing source will be essential to the success of the program, the long-term health of both this effort and the Georgia economy are tied to readily available and targeted development opportunities which will generate new revenue.

**Recommendation 10. That the Board and Chancellor seek the support of the Governor, General Assembly and State Auditor to allow USG institutions to carry forward funds generated from continuing education programming and activities from one fiscal year to the next so that economic development efforts are not forced to annually become bankrupt.** While there is no argument that the generally accepted practice of prohibiting rollover of funds for all state agencies is a sound budgeting policy, the System's ability to contribute to Georgia's economic development is seriously impeded by including continuing education development activities under this rule. The marketplace generally determines when and what kind of skill upgrading workers need. Thus, institutions offer programs year round with program schedules not tied to the academic calendar. A mechanism is needed to encourage System institutions to use funds earned in entrepreneurial activity for building and improving the economic development of the state. The stakes are too high for Georgia's economic health to allow entrepreneurial activity envisioned under **Georgia LEADS** to be impeded by government regulation.

**Recommendation 11. That the Board and Chancellor seek the support of the Governor and General Assembly for identification and development of financial inducements to Georgians to upgrade their professional and work skills—especially at the management level—thus positively impacting the economic development of the State.** While it is clear that both workers and businesses benefit when employees work smarter and more efficiently as a result of professional development, the state also shares by having a more fulfilled and better educated citizenry and more profitable companies—thus more tax revenue. Needed is a statewide incentive program (e.g., HOPE) that encourages workers, especially in high-need fields, to professionally improve themselves through **Georgia LEADS**.

**Recommendation 12. That the leadership of the institutions of the University System take responsibility for providing support to the continuing education function on each campus and the implementation of the Georgia LEADS initiative.** The ultimate success of this effort will rely heavily on the vision, management skills and interest of System presidents and their staffs. Although these proposals do not require major new resources, they will require the personal leadership of all presidents. Each institution will need to both envision the role of continuing education in a high profile context not previously articulated in Georgia, and respond to the needs of workers and corporations alike to have available a streamlined, easily accessible system of high quality professional development. While it will continue to be important for individual institutions to respond to the continuing education needs of their local areas, the **Georgia Leads** initiative will leverage the synergy of 34 campuses to benefit Georgians throughout the state.

# Supporting Information for Georgia LEADS

## I. Why Lifelong Education is Vital to Georgia and Workers

Robert T. Jones, president of the National Alliance of Business (NAB) recently stated that “the world of work is changing at a resounding rate. Modern telecommunications and transportation systems are creating a truly global community... The workforce skills required in today's economic environment are vastly different from those of 15 years ago and that looking at the workforce needs of the future, the only thing certain is change itself.” He went on to note that “Lifelong learning is now an important part of business culture.”

In the same vein, *The Kiplinger Letter* reported, that "...a growing task for business: retraining workers, honing skills and keeping employees current with rapidly changing workplace technology—a whopping 75 percent of today's workforce needs retraining just to keep pace.” Also creating serious challenges is the estimate, by the Citizen’s League Committee on Workforce Training (Minnesota, 1999), that 80 percent of the people who will be in the workforce in 2005 are currently in the workforce.

Also contributing to the need for a strong and vibrant USG continuing education effort is Georgia’s own key economic statistics. From July of 2001 to March 5, 2002, 25,439 Georgians lost their jobs due to business closures. In November of 2001 alone, more than 92,000 Georgians were drawing unemployment, the highest number ever recorded for the month of November (Georgia DOL Website). According to UGA demographer Doug Bachtel, more than one million Georgians live below the poverty line, and 94 Georgia counties have a per capita income lower than that of the State of Mississippi, which has the nation’s lowest.

**Continuing Education Serves as an Effective Portal to Higher Education.** In 1997, 29.1 percent of Georgians 25 and over had not completed high school. In 1999, 36.6 percent of all Georgia births were to unwed mothers. These, and many other factors, serve to inhibit Georgia’s already dismal college participation rate. In the fall of 1997, Georgia ranked 48<sup>th</sup> for the percentage of population aged 18-24 enrolled in postsecondary education, and dead last in postsecondary participation rates among those aged 25-64.

Continuing education has long served as a non threatening introduction to higher education for both young and nontraditionally aged students. Thousands of middle and high school students get their first taste of college life in summer academic enrichment, cultural, and athletic camps on college campuses, or through the many other continuing education programs designed specifically for young people. Likewise, each year thousands of adult Georgians sample continuing education courses to help them decide if they can succeed in college. The University System of Georgia has few recruiting tools

as effective and cost efficient as continuing education. In light of the Board of Regent's goal to elevate citizens' participation in post-secondary education, the availability of this strategic asset should not be overlooked.

## **II. Vision for a 21<sup>st</sup> Century Professional and Personal Development Program for All Georgia Citizens**

**How Will Georgia LEADS Be Different?** A major goal of **Georgia LEADS** will be to provide necessary coordination so that there is a base line of services available through all institutional locations, and that local and statewide services can easily work together to respond to more complex organizational and community needs. Statewide marketing of these services will be enhanced through this coordinated effort. Professional and extended learning services to organizations and for purposes of research need to be supported and enhanced at a few selected institutions and procedures should be developed for their marketing and use in cooperation with local institutions.

A key role for **Georgia LEADS** will be to align courses and programs offered with the needs of citizens and businesses. This can be accomplished by working with key agencies and organizations to make certain that System initiatives correspond to the State's strategic focus. This organized professional education effort:

- Will be fostered within a supportive and re-organized statewide continuing education environment within the University System. Each campus will continue its individual mission focus, but will contribute to statewide strategic needs including educational, economic, health care, and other identified demographic needs as appropriate;
- Will expand economic development and recruitment of key external partnerships that will foster statewide growth and development;
- Will address the health care needs of Georgia's citizenry with focused prevention, health promotion, and intervention educational activities. These activities will be targeted to enhance the knowledge and skills of Georgia's health care providers and the consumers of health care resources;
- Will develop a professional educational model focused on key managerial, human resource needs, informational and technological management, and needed legal management issues. This extended professional education model will enhance Georgia's managerial workforce.

## **III. Organizational Changes Needed for Georgia LEADS**

The recommended USO staff position should devote 100 percent of his or her time to leading, nurturing, coordinating, directing, and promoting continuing education through **Georgia LEADS**. This staff member will serve as the point of contact for new businesses looking to move to Georgia and in need of noncredit training and educational services. In addition, he or she will work with the 34 institutions so that prospective businesses and industries will benefit from a system of continuing education rather than an uncoordinated and often competitive array of individual continuing education departments. Other duties should include the coordination of System-level publicity for

continuing education; the development of a web page reflecting the services of the 34 institutions; the development of performance measures and outcomes for continuing education; and the creation and funding of a training program for continuing education staff and administrators. The staff member also should work with the 34 continuing education deans and directors to develop high-quality packaged courses and modules that could be delivered as needed in any area of the state. This staff member should be provided with an assistant and a budget to cover such expenses as publicity, travel, web page development, supplies, etc.

The **Georgia LEADS** office should be strategically located within the University System Office. Since its mission will be primarily concentrated on responding to needs external to the System, there would be an advantage to organizationally placing it in the Office of External Activities and Facilities. Whether it was made a part of the Office of Development and Economic Services—where the System-level continuing education function is currently located—or structured as a stand-alone office, either arrangement could take advantage of the potential synergy when working with many of the same community and economic development groups and organizations. On the other hand, placing **Georgia LEADS** in the Office of Academics and Fiscal Affairs would allow closer ties between non credit and credit activities. Here, though, there would need to be clear direction from the highest levels so that the importance for rapid response does not become secondary to other pressing issues. This is especially significant given the thrust of this report’s recommendations. Perhaps more important than organizational arrangement will be the quality and background of the person chosen to lead this initiative. This professional will need to have a unique blend of both academic credentials and experience within the academic environment and an entrepreneurial background built on experience gained from the world of business.

An example of how the new **Georgia LEADS** professional could coordinate the resources of the System—and enhance Georgia economic development—would be through leading the development of tailored professional development proposals for businesses and industries considering relocation to Georgia. Such proposals could include the benefits of professional education for the new organization’s employees in potential areas such as strategic marketing education, providing education for new human resource managers, and legal and professional development education for the new businesses’ leadership. The advantage to the business community is that the System coordinates the appropriate and needed resources and presents them in a timely manner. This approach leverages the broad capacity within the System to respond to identified needs.

A resource that could be developed and made available to **Georgia LEADS** is a series of professional development courses for workers in various fields. Individuals in every area of the state would have access to the courses, and these modules would be promoted statewide to citizens and business clients. It also can be used as an effective tool for the recruitment of new businesses and industries to the State.

In order for **Georgia LEADS** to be successful, institutional support at the president's level will be needed for effective collaboration and strategic success with expanded local and statewide planning. The wide variety of placement of the continuing education function within System institutions and the various levels of those directing continuing education inhibit outreach beyond the institutional level. It is believed that continuing education departments should be administratively aligned for optimal promotion of the institution's and the System's strategic goals and objectives. Continuing education leaders will benefit from leadership development as the suggested role evolves beyond the existing, traditional function to the proposed model. A clear delineation of institutional and statewide resources will need definition. Sharing of existing resources for using distance technology when working to meet statewide needs should be articulated.

#### **IV. Rationale for Fiscal Recommendations**

**The Importance of Formula Funds.** From FY96 to FY99, USG continuing education unit (CEU) production remained fairly stable, ranging from a low of 455,107 to a high of 464,288 CEUs. For several reasons, CEU production declined to 427,375 in FY00. As a result, state funding for continuing education was reduced accordingly, as per the Funding Formula, in the FY02 budget. In FY01, a renewed focus on CEU production and the reporting of campus CEUs resulted in a rebound to a record 486,032 CEUs. However, despite the increased CEU production, it appears that funding for fiscal year 2003 will be capped at the lower FY02 level of 427,375 CEUs.

The Office of Planning and Budget's recommendation that formula earnings for continuing education be held at the lower FY02 funding level was accompanied by the following statement: "Continuing education is a self-sustaining operation and the state should not be continually increasing funding to supplement course fees for costs related to infrastructure and operations." It is unclear what changed since the April, 1999 State of Georgia program evaluation of continuing education—prepared for the Budget Responsibility Oversight Committee—which clearly reported that USG continuing education was not self-supporting. Indeed, the report noted that state funds were used to cover approximately 27 percent of the overall reported cost of USG institutions' continuing education functions. The report further noted that among individual institutions, there was wide variation in the portion of the continuing education function covered by course participant fees, ranging from only 5 percent to 100 percent.

It is a myth that continuing education is fully self-supporting. Even the University of Georgia Center for Continuing Education, the world's largest such center on a university campus, cannot fully support its expenses from generated revenue. While continuing education is not self-supporting, it is an excellent investment for the state, with great financial return on the small amount of state funding provided!

Programs such as Elderhostel and summer camps produce an outstanding return for the state. Georgia Southwestern State University, Armstrong Atlantic State University, and South Georgia College all have extensive Elderhostel programs with excellent reputations

and large followings. Columbus State University, Dalton State College, Georgia College & State University, Georgia Southern University, and Savannah State University all offer smaller programs. Consider the financial impact of a one-week residential Elderhostel program in which 30-50 out-of-state participants pay an average tuition fee of \$386 to live in a Georgia hotel, eat at area restaurants, and spend tourism dollars. Then multiply that by the 8,273 Elderhostel participants served by USG institutions in the 2001 calendar year. Using the multiplier effect of 1.4, which combines metro and rural areas, the economic impact of USG Elderhostel programs in 2001 alone was an impressive \$9,649,627.

Summer youth camps have a similar impact on the economy. Each year, tens of thousands of youthful participants descend upon USG campuses, live in dorms, eat in college cafeterias and area restaurants, and buy shirts, caps, and other items to commemorate their stays. It is not an understatement to assert that the flow of revenue from continuing education camps, conferences, and other programs helps keep critical campus auxiliary services, including housing and food services, afloat during the lean summer months.

In FY97, \$13,710,553 of state funds were invested in continuing education at the 34 colleges and universities. The continuing education departments then generated \$34,005,881 of revenue from course participant fees, and an additional \$3,329,920 from other sources including grants and federal and local funds (1999, Department of Audits, Office of Planning and Budget). Therefore, a modest state investment of \$13.7 million produced a return of \$37.3 million, money that was reinvested in the state through instructor and staff salaries; the purchase of supplies, materials, and equipment from local retailers; and other expenditures. Even applying a modest multiplying factor to this revenue total would support the assertion that continuing education had a more substantial economic impact on the state than many of the smaller colleges in the System. Further, any consideration of the economic impact of continuing education also must include the positive economic impact of better-educated and more highly trained employees and citizens.

It is quite possible that, if continuing education was totally self-supporting, many courses and programs desperately needed by business and industry would not be provided. At the same time, totally self-supporting continuing education departments would be forced to focus exclusively on those affluent individuals and large corporations that could afford to pay higher registration fees. As a result, certain segments of the population, especially including the underprivileged and unemployed, might not be served. This would indeed be unfortunate, since these populations have the greatest need for training.

**Allocating Regents' Continuing Education Funds.** Currently the Funding Formula, using CEU production, academic enrollment, and other data, results in a total dollar figure which is appropriated to the University System of Georgia. The Regents then use their discretion to allocate funds to each institution, considering each institution's submitted budgets, special funding initiatives, and other criteria. Each institution uses its discretion to determine how much of its respective allocation will be used to fund the

institution's continuing education function. In other words, currently there is no guarantee that the amount of funding a continuing education department generates for the System through CEU production will actually be allocated to the institution. In addition, since the CEU funding that is allocated to each institution is not earmarked in any way, institutional administrators are not aware of the contribution that the continuing education office has made in the budget allocation. Changing this procedure would greatly impact how continuing education is perceived and supported.

In addition to the CEU-based funding, the institutions also are provided with funds for the salaries of the dean/director and a secretary or registration staff member on each campus. (Note that these funds are used for this purpose on some campuses, but on others, all continuing education salaries, including those of the dean/director and a support-staff person are funded from continuing education revenue.)

There are several obstacles with this current arrangement. Since there is no correlation between the funding received and productivity in the continuing education arena, and because there currently is no accountability for the continuing education funds that are provided, there are few incentives for institutions to sponsor strong, productive continuing education departments. In fact, on many campuses high-level administrators have not even been aware until recently that the efforts of their continuing education departments have produced funds for the System through the Funding Formula, or that their institutions may have received a portion of those funds in their annual allocation. As a result, at many institutions, continuing education has been viewed either as a drain on campus facilities, utilities, and human resources or as a "cash cow"—and strangely enough, sometimes as both at the same time. At other institutions, the continuing education function has been decentralized or allowed to decline nearly to the point of extinction.

Because institutions do not receive funding in proportion to their CEU production, many continuing education departments find it necessary to focus their energies on those programs that produce the most revenue, and not necessarily on public service programs that serve important educational needs or large numbers of students. Likewise, because they can pay higher course fees, affluent businesses and individuals benefit from continuing education programs while the less affluent and rural, often the most in need of educational services, may not be served.

Another problem is that the current system provides no incentive for continuing education departments and USG institutions to report all of the legitimate continuing education activities that occur on each campus. In fact, there is a disincentive to data collection and reporting. It takes a great deal of time to work with other campus units to ensure that the appropriate information is prepared and collected, and more staff time to enter enrollment data into registration systems to report the information. So, instead of using valuable staff time to gather and report data from other units, many continuing education departments have chosen instead to focus primarily on revenue-generating activities.

In summary, continuing education departments have found it necessary to focus on offering programs that may serve few students, but produce significant amounts of revenue. To accomplish this, they have devoted less staff time to reporting the continuing education efforts of other campus units, or to offering public service programs that serve large numbers of students but produce little income. The impact of this shift in focus was seen quite clearly in FY01 when a sharp decline in the number of CEUs reported system-wide resulted in the loss of millions of dollars for the University System.

**Rollover of Funds to the Next Fiscal Year.** Unlike USG academic and other administrative units, which operate as "cost centers," continuing education units are operated as "profit centers." That is, they are run as profit-making businesses, carrying the same risks as businesses face. Thus, unlike USG academic and other administrative units, continuing education departments have to focus on gross revenues, expenses, and net revenues to make their "business" (program or center) profitable for their institutions. Continuing education departments also have to invest the profits earned each year to increase the quantity and quality of product lines and services for the following years, in order to assure that business and citizen needs are being met and to be able to compete both locally and with programs offered using distance learning technologies.

Current state policies restrict continuing education departments from employing an important attribute typical of businesses—the ability to rollover funds from one fiscal year to the next. The problem may be seen in perspective by imagining the owner of a business working throughout the year to cover expenses, pay salaries, and earn a profit. By the end of the fiscal year, instead of reinvesting that profit, or carrying it over to the next year, the owner is forced to bankrupt the business and start over again with hopes that, sometime before the end of the new fiscal year, the business will break even once again. Continuing education departments face such a situation every year—a state-mandated annual bankruptcy!

Prohibiting rollover of revenue stifles the entrepreneurial spirit, destroys the initiative to develop courses and produce income, creates end-of-the-year money management problems, and encourages wasteful year-end spending. It also makes it difficult or impossible to accumulate enough funds to purchase expensive high-tech equipment, build or renovate needed facilities, or support staff positions. The ability to "roll-over" revenue would provide desperately needed seed money for the next year, enabling departments to function much more efficiently and provide better services.

Especially during difficult economic times, as experienced this year, the ability to rollover revenue would protect continuing education departments from having to lay off employees and reduce services. (Continuing education programs prosper when there is an upturn in the economy and suffer during periods of recession when businesses reduce training investments and consumers have fewer discretionary funds.) The current recession has been particularly tough on System continuing education efforts. During fall 2001, one System continuing education department experienced a 30-40 percent decrease in enrollment over the previous fall and lost a major corporate training partnership valued at \$1.2 million per year over the last two fiscal years. The impact of these events led to

the termination or layoff of four full-time employees, one contract employee, and six student assistants. Further, four full-time positions that were vacated through resignations are not currently scheduled to be refilled. At a two-year college, two of six full-time continuing education employees were laid off due to revenue declines compounded by mandated budget reductions, while the economy forced the layoff of seven continuing education employees at a senior institution. One institution was forced to leave eight unfilled positions vacant due to the severe downturn in enrollments and revenues this year. Another institution has reported it necessary to lay off two continuing education employees and transfer another out of the unit. In addition, four positions have been left vacant. The director of this program expressed concern that, even with these adjustments, the department may face additional layoffs of the few remaining staff before the end of the fiscal year.

**Coordination of System Resources.** Currently, employees and prospective employees require training and retraining in order to stay abreast with rapidly changing technologies. Businesses and industries are in urgent need of skilled workers in order to remain competitive in the marketplace. Yet, because of the need to generate dollars to fund positions and operating expenses, continuing education departments often compete with each other for scarce training dollars rather than collaborating to provide the educational services needed by businesses and industries.

The University System of Georgia should establish appropriate policies and procedures to ensure that cooperation between and among the 34 USG institutions is a "win-win" activity. Under the ideal arrangement, sister institutions would share financially in delivering and hosting programming to under served areas of the state (If a delivering institution is the only one to receive CEU credit, tuition income, and recognition, then where is the incentive for the host institution to participate and be recognized within its community and service region?). Equitable and effective policies to ensure collaboration should be developed by the **Georgia LEADS** administrator in consultation with the members of the Administrative Committee on Public Service and Continuing Education. Once a workable system is established, the administrator will enforce the policies and ensure the fair and equal treatment of all participating institutions.

**Financial Incentives to Citizens and Workers.** Currently System institutions do not have access to a state revenue source for professional development courses. Although in many cases the continuing education courses offered are similar or identical to those offered by technical colleges, System colleges and universities do not have the same access to HOPE grants. Department of Technical and Adult Education (DTAE) institutions offer their work as technical certificates, thereby making students in those programs eligible for HOPE grants. When faced with the choice of paying tuition for USG continuing education certificate programs, or attending DTAE certificate programs on the HOPE grant at no personal cost, students act predictably. University System continuing education certificate students should be afforded the same opportunity to obtain HOPE grants to underwrite their professional development as their DTAE counterparts.

## References

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