

Workforce Aligned State Scholarship Programs: How Do State Political Conditions Predict Scholarship Adoption?

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Abstract

Over the past few decades, a major tenet of the Republican party has focused on increasing economic prosperity. Workforce development and training has been one strategy to align educational credential attainment to high demand fields in each state. Over 24 states have adopted workforce aligned scholarship programs that seek to increase the number of high demand credentials in their state. This analysis uses a Linear Probability Model to investigate if political party control predicts whether a state adopts a workforce aligned scholarship program. Republican legislative control is associated with roughly a 20 percent increase in the likelihood a state adopts this type of scholarship program. Having a Republican Governor has less of an impact on adoption compared to legislative control. This may be due to the mechanics of the legislative process.

Introduction

Over the last ten years, over fifteen states have adopted workforce aligned state higher education scholarships. These programs are focused on aligning credential production to the economic priorities to the state. As more states seek to adopt this type of workforce development strategy, it is important to understand the political and economic conditions that lead to an increased probability of adoption. Based on the tenets of the Republican National Committee, the importance of economic growth in the Republican Party may lead to an increased probability of establishing this type of scholarship program.

Characteristics of workforce aligned scholarship programs:

- Eligibility limited to individuals with less than an Associates degree (or less than 60 credit hours)
- Can only be applied to a specific set of approved high demand fields of study
- Contains an evaluation component that ensures that approved programs are aligned to changing state workforce needs
- Many are last-dollar in nature, where other financial aid and scholarships are applied first before the workforce scholarship is applied to the student's account

State Variation in Scholarship Types

Overall, many states across the country have adopted higher education scholarship programs to increase educational attainment in their state. These scholarships range from merit-based to specific academic majors or postsecondary sectors.

Table 1: State Scholarship Types

Scholarship Type	Key Components	Example
Merit Based	<ul style="list-style-type: none">All High School GraduatesQualifications based on academic performanceEligible at most public institutions	Georgia HOPE Louisiana TOPS Kentucky KEES
Two-Year Programs	<ul style="list-style-type: none">Only eligible at select institutions (Associates degree or less)	Tennessee Promise & Reconnect
Technical	<ul style="list-style-type: none">Available to all students enrolled in technical programs	Wilder-Naifeh Technical Skills
Target Recruitment	<ul style="list-style-type: none">Targeted towards adult studentsOne specific field of study is eligible	KY Teacher Scholarship

Conceptual Framework

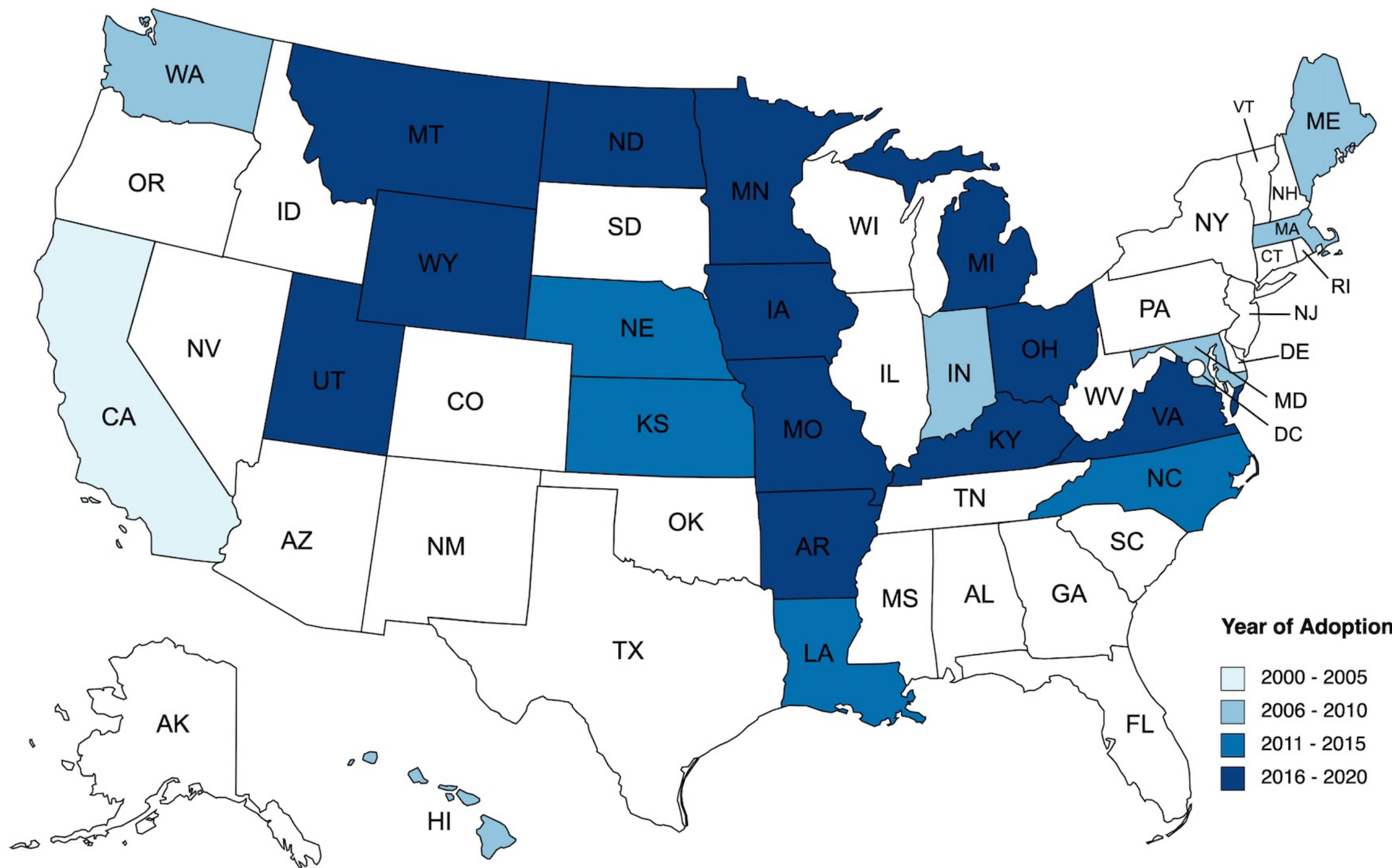
Political control of the legislature and executive branch can have significant impacts on the probability of a bill being passed and signed into law. According to the Republican National Committee, the GOP believes in liberty and economic growth for all Americans. This belief in economic prosperity may impact a Republican politician to adopt higher education scholarships that are targeted towards workforce development and communicate the idea that individuals can obtain a high paying job without a traditional four-year college degree.

Hypothesis: Republican controlled state legislatures and Governor's offices will be more likely to adopt workforce aligned scholarship programs.

Data Description

The Education Commission of The States 50-State Comparison lists states with a workforce aligned state scholarship program. This is defined as states that provide financial assistance to individuals completing a credential or degree in a high-demand field. Although they classify 26 states as having a workforce aligned scholarship program, I eliminate 2 states based on the the scholarships characteristics. Overall, I classify 24 states as having workforce aligned scholarship programs.

- Data on political composition of the state legislature is provided by the National Conference of State Legislatures from 2009 to 2021
- State average annual unemployment rate is provided by the U.S. Bureau of Labor Statistics from 2009 to 2021 as well as the annual percent change in state Gross Domestic Product (GDP) by year and state from 2009 to 2021



Methodology

In order to assess how state political and economic conditions impact state adoption of workforce aligned scholarships, a Linear Probability Model is constructed.

$$Adoption_t = \beta_0 + \beta_1 Political_{it} + Econ_{st} + \theta_s + \alpha_t + \varepsilon_{st}$$

Using a panel data set from 2009 to 2021, $Adoption_t$ is whether the state adopts a workforce aligned scholarship program at time t. $Political_{it}$ is a dummy indicator for Republican majority or control. β_1 indicates the proportion of the probability of adoption associated with Republican control. $Econ_{st}$ controls for state economic conditions over time. This model includes state and year fixed effects.

Due to time period restrictions of the data set, I drop states that adopted a workforce aligned scholarship prior to 2009.

Results

Based on the model, political control of both the state legislature and the executive branch is positively associated with the probability of adopting a workforce aligned scholarship program.

- Having a Republican controlled majority in both the House and Senate chambers is associated with a 15.7% and 11.9% increase in probability of adopting a workforce aligned program
- Republican control in both chambers (Model 4), the probability of adoption increases to almost 20%. This finding is statistically significant at a 1 percent confidence level
- States with a Republican Governor have a 5.3% increase in the probability of adopting a workforce aligned program

Table 2: The Probability of Adoption based on State Political Party Composition

VARIABLES	(1) Senate	(2) House	(3) Governor	(4) Legislature
Majority Rep Senate	0.157*** (0.0443)			
Majority Rep House		0.119*** (0.0433)		
Republican Governor			0.0529* (0.0308)	
Republican Legislature				0.197*** (0.0447)
Unemployment Rate	0.0320** (0.0138)	0.0329** (0.0138)	0.0321** (0.0139)	0.0357*** (0.0137)
Percent Change GDP	0.000271 (0.00546)	0.000214 (0.00549)	-0.000337 (0.00551)	0.000498 (0.00543)
Constant	-0.563*** (0.146)	-0.541*** (0.147)	-0.507*** (0.148)	-0.614*** (0.147)
Observations	572	572	572	572
R-squared	0.606	0.603	0.599	0.611

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Conclusion & Next Steps

Overall, Republican control of state legislatures and the Governor's office is positively associated with the adoption of state workforce aligned scholarship programs. This provides evidence that conservative legislatures and Governors are more likely to adopt these policies in the hopes of increasing postsecondary training that is aligned to workforce need in their state.

Future research will focus on the following extensions:

- Updating this model by including additional factors that may impact the probability of states adopting this type of workforce development training
- Conducting a case study to understand the economic and political conditions that predict adoption
- An analysis of legislative intent of workforce aligned scholarship programs and how the mission or goals of the program have shifted with changes in political composition over time
- A descriptive analysis of high demand fields and their alignment with state workforce need