

BUILDING AMERICA'S SKILLED TECHNICAL WORKFORCE

Challenges to Improving Education and Skills Training

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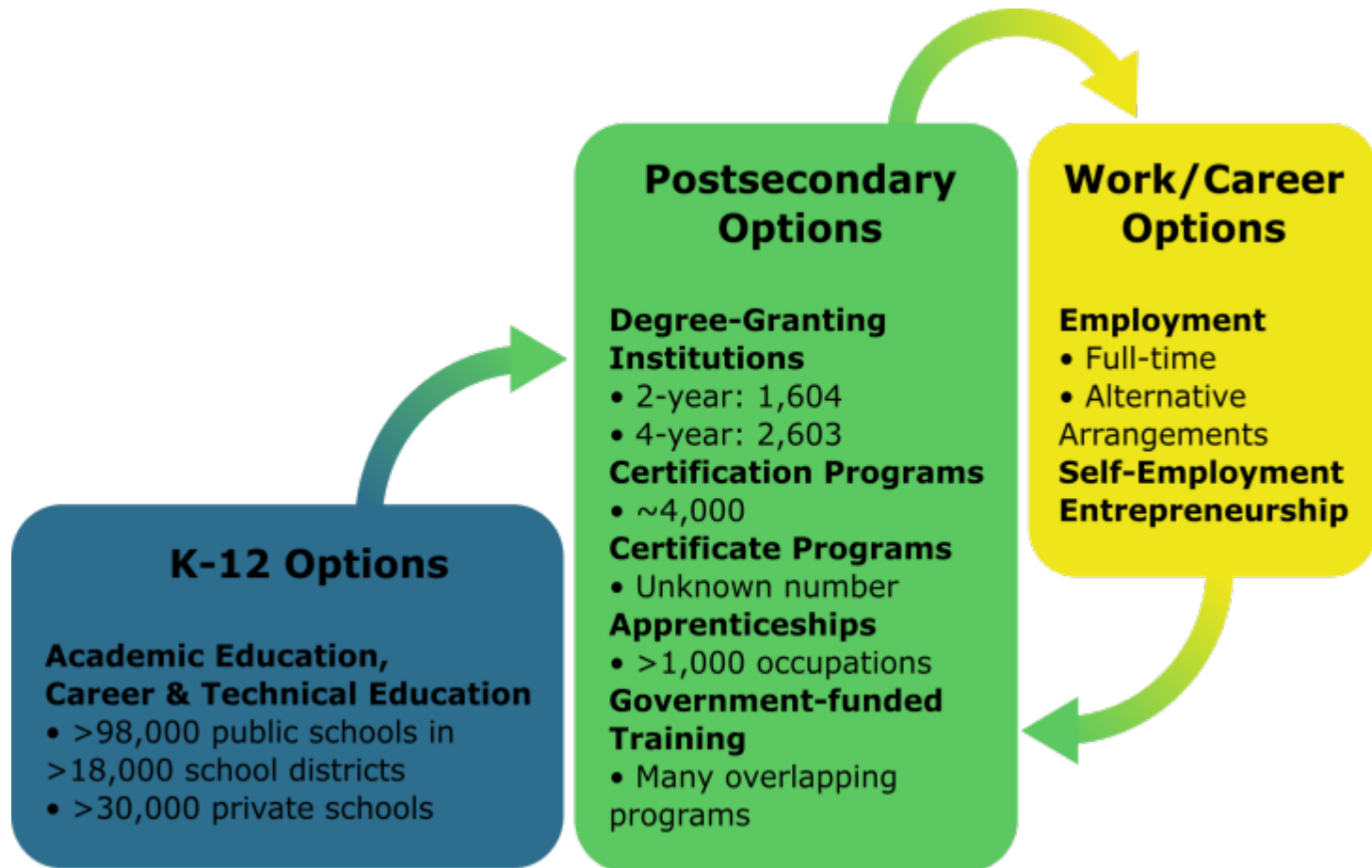
Multiple Challenges

- Many actors and stakeholders
- A Complex System of Education and Workforce Training
- Complex Policy Landscape
 - Federal, State, Local
- Barriers facing Students, Workers, Educators, Employers
- Limited Data and Knowledge

A Complex Network of Actors, Policies, and Educational & Training Programs

- Multiple actors connected across a network of relationships to fund, produce, provide, and encourage training and education.
 - Students and workers
 - Employers
 - Educators; Educational Organizations
 - Industry trade associations
 - Labor and civic organizations
 - Local, state, and federal agencies
- The 'system' is really a network of local networks

A Wide Range of Educational and Training Options



Multiple, Overlapping Sources of Policymaking



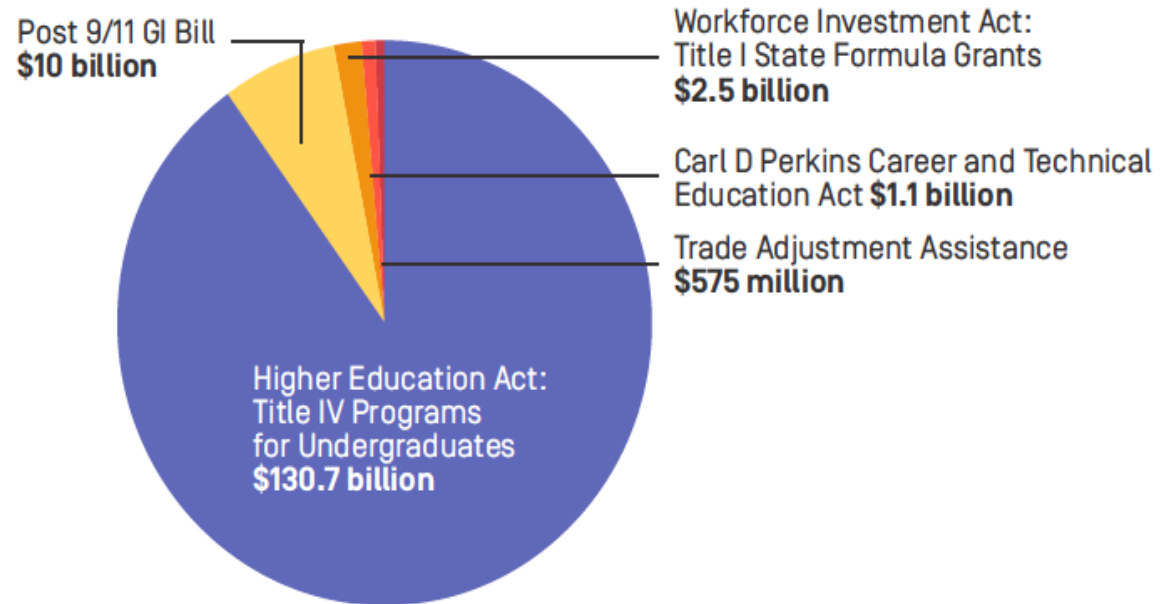
Key Federal Legislation

- **Every Student Succeeds Act (2015)**
 - Requires states to establish high college- and career-ready academic standards
 - Authorizes programs to promote local innovation and improvement in teaching.
- **Workforce Innovation and Opportunity Act (2014)**
 - Incentivizes the development of sectoral training partnerships
 - Requires active coordination across agencies in developing programs
 - Grants states flexibility to transfer funding among programs
 - Not yet fully implemented; e.g., mandate to create and maintain a National Employment Statistics System has not been fulfilled.
- **Post 9/11 Veterans Educational Assistance Act (2008)**
 - Educational benefits to veterans and their family members

Pending Federal Legislation

- **Higher Education Act (HEA) Reauthorization**
 - Authorizes federal aid programs to support individuals who pursue postsecondary education and to institutions of higher education
 - Title IV authorizes major federal student aid programs
- **Jumpstart our Businesses by Supporting Students Act**
 - Seeks to amend HEA by expanding Pell Grant eligibility to students enrolled in short-term job training programs.
- **Perkins Act Reauthorization**
 - Seeks to develop the academic and career and technical skills of secondary education students
 - Last reauthorization called for greater assessment and accountability of educational and post-educational outcomes

Most Funding goes to HEA Title IV Federal Student Aid Programs



Source: College Board. Trends in Student Aid: 2013; Federal Register 78 FR 28653; National Skills Coalition: Federal Funding Tool.

Focus of Federal funding is predominantly on higher education rather than on workforce skills development

Multiple State Initiatives

Policy Area <i>Note: A single bill or policy can address multiple policy areas</i>	Number of States Addressing Policy Area in 2014	States
Funding	36	AL, AK, AZ, AR, CA, CO, CT, DE, DC, FL, GA, ID, IN, IA, KS, KY, LA, ME, MD, MA, MI, MN, MS, NE, NJ, NM, NY, OH, OR, SD, TN, UT, VT, WA, WV, WI
Industry Partnerships/Work-based Learning	28	AL, AK, AR, CA, CO, CT, DE, GA, IL, IN, IA, LA, ME, MD, MI, MN, MO, NH, NJ, NY, OH, OR, RI, SD, TN, VT, WV, WI
Dual and Concurrent Enrollment/Early College/Articulation	24	AL, AK, CT, DE, FL, GA, ID, IL, IN, KS, KY, LA, ME, MD, MA, MS, MO, NV, NJ, OH, OR, SD, TN, TX
Industry-recognized Credentials	19	AZ, CA, DE, FL, GA, ID, IL, IN, KS, LA, MI, MN, MS, MO, OH, RI, TN, UT, WV
Graduation Requirements	15	AZ, FL, IL, IN, LA, MI, MN, MS, MO, NY, OH, OK, SC, VA, WA
Data/Reporting/Accountability	15	CA, CO, CT, FL, IN, IA, KY, LA, ME, MI, MN, MO, NJ, UT, VA
STEM ⁱⁱ	10	AZ, DC, IA, NH, NY, OK, OR, UT, VT, WA
CTE Standards/Accreditation	10	CO, FL, ID, LA, MN, NJ, OK, TN, WA, WY
Technical/Employability Assessments	7	AZ, MS, MO, NV, NY, OH, SC
CTE Teacher Certification/Development	7	IL, ME, NJ, ND, RI, TN, VA
Career/Academic Counseling	6	AL, AR, CA, KY, OH, RI
Governance	5	AL, NM, OR, RI, UT

SOURCE: Advance CTE and the Association for Career Technical Education. 2015.

NOTE: This table is not exhaustive and, therefore, not every state policy found is included

Barriers to Investments in Skills

Challenges facing Students,
Workers, Educators, and
Employers

Challenges facing Students

- Overall, there is strong evidence that there are high positive returns to postsecondary education.
 - Additional year of schooling estimated to raise yearly earnings by 5 to 10 percent
- But many students do not invest in education and training—why?
 - Inadequate elementary and secondary education
 - High costs of remedial education
 - Rising tuition costs
 - Limited reinforcement at home and in the workplace

More Barriers facing Students

- **Limited Career Guidance:**
 - “Cafeteria model” of college course offering leaves many students confused.
- **Poor Image for CTE:**
 - Job specific CTE curriculum isolates CTE from the mainstream
 - CTE often seen as a poor substitute for college preparation rather than as a complementary or alternate pathway to a good job.
- **Questions about overall value of Certificates and Certification programs:**
 - Value varies by sector, geography, portability, and stackability
 - Many employers still look for 4-year degrees as a signal

Challenges facing Employers

- Employers benefit from a strong and well-qualified pool of labor.
- But they often fail to invest in developing this pool—why?—
 - **Public Goods:** Competitors may benefit from a firm's efforts and expenses in training workers
 - **Free-ridership:** Some employers may prefer to rely on public expenditures in education and training
 - **Growth of the gig-economy:** More than 30% of the workforce is now employed in short-term contingent work arrangements, so ROI on training may not be sufficient

Challenges facing Community Colleges

- Public investments in community colleges serve local students who typically live and work in the community after graduation
 - But they are subject to Shrinking Budgets and More Regulations
- State Funding Formulas often reward the volume of enrollment rather than the value and quality of services provided.
 - Incentivizes larger class size, but puts less focus on technical courses--which need expensive equipment, qualified faculty, facilities, and support services.

Our Recommendations

- **Align Incentives:**
 - State and federal policy makers should support and enhance strategies that help students successfully complete their training for the skilled technical workforce.
- **Ease Barriers:**
 - Federal and state agencies should remove barriers to worker mobility, such as licensing and certification requirements that are not related to public safety.

Data and Information

- There are high returns to public investments in labor market information systems.
 - But funding has been stagnant over the past decade and Congress has provided limited oversight.
- As a result,
 - federal statistical agencies continue to rely on legacy methods of collecting and analyzing data—which means that we are using lagged, out-of-date data.
 - Policymakers, employers, educators, and students do not have the information they need on investments in the skilled technical workforce.

Our Recommendation

- The Workforce Investment Act of 1998 calls for fully funding the National Employment Statistics System
 - But this mandate remains unfulfilled.
- Congress, state legislatures, and agencies of the federal and state governments should improve the workforce labor market information system (WLMIS), labor market data, and research tools and methods, including by providing funding for such activities.

Thank You.

