



REPORT ON POLICY CHOICES AND OPTIONS

# Commission on Education and Workforce Development

February 2012 11-C39





# ABOUT POLICY CHOICES FOR INDIANA'S FUTURE

In fall 2009, staff and faculty of the Indiana University Public Policy Institute (PPI) and the School of Public and Environmental Affairs (SPEA) began discussions regarding the critical questions that Indiana must address to secure our success now and in the future. Through the PPI Board of Advisors, work started in January 2010, on Policy Choices for Indiana's Future, a nonpartisan initiative to analyze the issues that will face the state's next legislature and governor.

As the project developed, focus began to center on the overarching idea of improving the economic health of the state, its citizens, and its businesses. Analysts began to gather data regarding the current and future economic conditions in Indiana, within the broader context of the Midwest (Illinois, Indiana, Iowa, Michigan, Minnesota, Ohio, and Wisconsin). Three key areas were identified that depend in part on our ability to:

- develop the highly-skilled workforce necessary for economic growth in a knowledge economy,
- leverage the state's energy resources and assets in an environmentally responsible, productive manner, and
- create a balanced tax environment that allows individuals and businesses to flourish
  while generating the revenue required for the state to efficiently deliver the essential
  services necessary to keep Indiana competitive.

Because the issues involved are large and complex, Policy Choices relied on the work of three commissions:

- Commission on Education and Workforce Development
- Commission on Energy and the Environment
- Commission on State and Local Tax Policy

Each commission included members of the PPI Board of Advisors and additional members from around the state selected based on their subject-matter expertise. Randall Shepard, Chief Justice of the Indiana Supreme Court, and Mark Miles, president and CEO of the Central Indiana Corporate Partnership, led the overall project.

Each commission was staffed by policy analysts from PPI and met several times through October 2011. The commissions gathered information and listened to presentations from topic area experts. Each commission developed a set of policy options to address the challenges facing our state. These options with supporting information are presented in each commission's technical report (available along with other Policy Choices work products at www.policyinstitute.iu.edu/PolicyChoices).

The goal of Policy Choices is to start the discussion among government, nonprofit, and private sector leaders about these topics now—to provide policy options for action. Recognizing that these are long-range issues, PPI will continue to analyze these questions and engage leaders, policy makers, and other partners in continuing the discussions.



# COMMISSION ON EDUCATION AND WORKFORCE DEVELOPMENT

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#### **EXECUTIVE SUMMARY**

Increasing per capita income is the single most important indicator of economic well-being for Hoosiers, and for the state as a whole. In 2010, Indiana ranked 42nd in the United States in per capita personal income, down from 33rd in 2000. In fact, over the last decade Hoosiers saw per capita income increase by less than one percent, giving Indiana smaller income growth than all but four states in the nation. Furthermore, Indiana's poverty rate currently exceeds 15 percent and places Indiana in the bottom third of the states nationally. For Indiana to avoid another lost decade, the state must take the necessary steps to promote economic growth and raise the skill level of Indiana's workforce. The alignment of the education, workforce development, and employer communities around this goal is essential to Indiana's future.

Indiana's future economic growth and the prosperity of its residents will depend on the ability of Indiana's workforce to compete in the global workforce. It is estimated that over half of the job openings from today through 2016 will require postsecondary education. The Georgetown University Center on Education and the Workforce recently reported that by 2018, 55 percent of Indiana's jobs will require some postsecondary education. Many of these jobs, while requiring education after high school, can be filled by individuals with less than a four-year college degree. Filling the need for these "middle-skilled" jobs will be critical to meeting the growing demand for a skilled workforce.

The engine that powers economic success is a workforce with the high-level skills and competencies needed to prosper in a knowledge economy. Quality education leads to quality jobs and a better quality of life. We must look to our education and workforce development systems as the primary drivers of the state's policies related to job creation, economic growth, and individual success.

To achieve the best possible future for Indiana, we believe that two-thirds of all Hoosiers must be prepared to succeed in knowledge economy jobs. To meet this goal, the challenge is great and the imperative to act is urgent, as only about one-third of Indiana residents currently meet this standard. Moreover, given the anticipated population growth among minority and other historically underrepresented communities and the large number of adults in need of retraining or basic skills development, the various approaches to meet this challenge must be innovative, expansive, and flexible.

State policy represents but one tool in the toolbox of strategies designed to achieve this standard. The initiative and expertise of employers, colleges and universities, and nonprofit organizations must be marshaled in support of this goal. Though certainly not exhaustive of the policies that might be implemented to support greater systems integration and economic growth, the policy choices identified herein represent a diverse set of initiatives designed to redress many of the gaps and shortcomings that exist in the education and workforce development systems.

The Indiana University Public Policy Institute (PPI) began a process in 2010 to address issues that affect the economic health of Hoosiers. Three commissions were each given the task of addressing a key area, including the Commission on Education and Workforce Development. Starting from the perspective of maximizing Indiana's existing advantages and refocusing its institutional priorities, the Commission for Education and Workforce Development propose a comprehensive set of policies to accomplish the systematic changes necessary to promote economic growth and realign the skills of Indiana's workforce. In recognizing that the seamless integration of the education, workforce development, and business communities is essential to future economic growth in Indiana, the Commission relied upon the following principles to guide their work:

- Every Indiana resident should possess the basic skills required to remain competitive in the workforce and allow a successful transition to higher education or further training.
- The postsecondary education model must be broadened to incorporate the value of degrees and credentials other than a four-year bachelor's degree.



 Engagement with employers and the business community is vital to improving the education and workforce development systems.

After participating in policy discussions, hearing from expert panelists, and reviewing initiatives from around the country, the Commission for Education and Workforce Development agreed on the following policies to address the long-term needs of Indiana's economy. The Commission stands behind, and encourages state leaders to thoughtfully consider, the following policy options:

#### Align college and career standards for graduation from high school and admission to college

- 1) Integrate the final year of high school with the initial year of postsecondary education for secondary school students who consistently demonstrate proficiency of college-and-career-readiness academic standards.
- 2) Increase dual credit enrollment so that two-thirds of Indiana students will leave high school with at least six college credits.
- 3) Identify those students unprepared for postsecondary education and training and utilize the final year of high school to provide appropriate remediation.
- 4) Increase the options available to Hoosiers in the delivery of secondary and postsecondary instruction through the use of technology, nontraditional schools, and accelerated pathways.

# Redesign the state's workforce training, economic development, and postsecondary education strategies for workers to ensure that they remain competitive in the labor market

- 1) Expand accelerated degrees and intermediate credentialing programs so that many more Hoosiers are prepared for good paying, high-demand jobs.
- 2) Create an Office of Economic and Workforce Development by integrating the Indiana Economic Development Corporation with the employment and training division of the Department of Workforce Development.
- 3) Align the state's policy-setting initiatives for postsecondary education and training under the Commission for Higher Education (CHE), with specific emphasis on increasing system capacity and efficiency that will increase postsecondary attainment.
- 4) Incorporate the majority of the state's career and technical education into the revamped Commission for Higher Education.
- 5) Increase promotion and utilization of The Benefit Bank to ensure residents are receiving all eligible federal and state benefits.

#### Increase participation by employers in the design and delivery of the workforce development system

- 1) Provide tax incentives for businesses that hire new workers and train incumbent workers.
- 2) Create a statewide skills bank to connect employers with the skilled workers they require.

Indiana faces serious challenges as a result of the ongoing global economic realignment. As difficult as change can be, delayed action will only result in adding to the inevitable pain of transforming our workforce and cause Indiana to fall further behind. The good news is that Indiana has tremendous institutional assets to employ in this project. With two public institutions, Purdue University and Indiana University, ranked among the top American research universities, and the statewide Ivy Tech community college system, it is apparent that Indiana is well positioned to be at the vanguard of state-led realignment efforts.



The fact is Indiana will have to dramatically increase the number of Hoosiers with valuable degrees and credentials over the coming years. With recent funding cuts and considerable budget constraints for the foreseeable future, it is very likely that Indiana's education and workforce development systems are going to be asked to do more with less. The only way to achieve this is through a concerted effort on the part of legislators, educators, business leaders, and Hoosiers for greater efficiency and system integration. While the policies identified in this report are not exhaustive, nor should they be interpreted as silver bullets to the challenges facing Indiana, they represent a set of actionable initiatives that could serve as the catalyst for progressing Indiana towards a future of sustainable growth.

At the very least, it is our hope that the Policy Choices for Indiana's Future project and the policies identified by the Commission for Education and Workforce Development can begin the important conversation that we must have about how we can achieve the best possible future for Indiana. We face an uncertain future; there are difficult choices to be made. In this challenging time, how will Hoosiers respond? It is our hope, and our expectation, that they will respond as they always have, by rolling up their sleeves and getting to the important work of ensuring that Indiana's tomorrow is brighter than its today.



#### COMMISSION ON EDUCATION AND WORKFORCE DEVELOPMENT

The Policy Choices for Indiana's Future project and the quality of the work produced by its commissions can only be as good as the commissioners that have driven their completion. The members of the Commission on Education and Workforce Development (Commission) were approached based on the recommendations of their peers, the personal and professional esteem in which they are held, and their extensive backgrounds in education and workforce development. Composed of representatives from across Indiana in academia, higher education, public policy, government, and industry, the vast experience and diverse makeup of the commissioners confers credibility to the project that could not have been achieved without their dedicated participation.

The Commission was given the difficult task of identifying, supporting, and presenting policies that will elevate Indiana's welfare through educational alignment and the development of a 21st century workforce. Meeting bimonthly over the last 18 months, the Commission has worked exhaustively to provide a roadmap for policymakers and state leaders towards a more prosperous future.

#### The Commission co-chairs are:

- Jamie Merisotis, President and CEO, Lumina Foundation (PPI Advisory Board)
- Jeff Terp, Vice President for Engagement, Ivy Tech Community College

#### Other members of the commission are:

- Brad Bishop, Executive Director, OrthoWorx
- Caterina Blitzer, Vice President for Development and External Affairs, International School of Indiana
- Dan Clark, Executive Director, Indiana's Education Roundtable
- Carol D'Amico, Ph.D., Senior Advisor for Education and Workforce, Conexus
- Mark Gerstle, Vice President and Chief Administrative Officer, Cummins (PPI Advisory Board)
- Craig Hartzer, Ph.D, Director, Executive Education Program, School of Public and Environmental Affairs
- Dewayne Matthews, Vice President of Policy and Strategy, Lumina Foundation
- William Plater, former Vice Chancellor and Dean of the Faculties Emeritus, IUPUI
- Anne Royalty, Ph.D., Professor of Economics, IUPUI
- Zachary Scott, President, UPS Ohio Valley Districts
- Patrick Shoulders, Partner Ziemer, Stayman, Weitzel & Shoulders, LLP, IU Board of Trustees (PPI Advisory Board)
- Michael Twyman, Ph.D., Director of Grants Programs, Nina Mason Pulliam Charitable Trust

The Commission was staffed by the Indiana University Public Policy Institute, a research organization that is part of the Indiana University School of Public and Environmental Affairs (SPEA). Commission costs were underwritten by SPEA, at the Bloomington and Indianapolis campuses, and the Central Indiana Corporate Partnership (CICP).



The Commission staff includes:

- Sue Burow, Commission coordinator
- Zachary Mulholland, Commission staff

In addition to the internal expertise of the Commission members, the Commission consulted a number of other experts, including:

- Kris Deckard, Executive Director, Ready Indiana
- Mark Everson, Commissioner, Indiana Department of Workforce Development
- Gina Del Santo, Senior Deputy Commissioner of Agency Policy and Performance, Indiana Department of Workforce Development

# **Guiding Principles**

Very early in the discussion of the important policies needed to help Indiana chart a course to economic growth and shared prosperity, the Commission agreed to the following guiding statement:

The seamless integration of the education, workforce development, and business communities is essential to future economic growth in Indiana.

As the nature of employment and employer needs change, the integration of disparate systems of education and workforce development becomes necessary. The lines between education and employment continue to blur and the pursuit of knowledge has become a lifelong endeavor. Greater integration of learning and working increases institutional flexibility to both react to, and serve as a catalyst for, future economic growth. This also supports greater effectiveness and efficiency in the provision of education and workforce development and aids in allocating public funds in the most cost-effective manner. The stakeholders in each arena contribute to a prosperous future, but only when they work in concert.

We believe, and labor projections support, that the emerging knowledge economy will require vastly more skilled workers than the Indiana workforce currently possesses. The efforts of our education and workforce development systems should be aligned behind the goal of preparing Indiana's workforce for success in the economy of the future.

With the objective of creating a highly skilled workforce in which **two-thirds of workers have the degrees and credentials demanded by a knowledge economy,** we hold that:

1. Every Indiana resident should possess the basic skills required to remain competitive in the workforce and allow a successful transition to higher education or further training.

Education has long played an important role in promoting economic growth and securing social mobility. It remains as transformative today as it has ever been. To ensure that Indiana remains globally competitive, every Hoosier, regardless of age, race, or income, should obtain a basic education level that fosters continued employability and increased educational attainment. The future of Indiana will be determined by our ability to educate and train our residents.

2. The postsecondary education model must be broadened to incorporate the value of degrees and credentials other than a four-year bachelor's degree.

While the need for citizens to continue their educations beyond high school is greater than ever before, there are many degrees and credentials other than a four-year bachelor's degree that can provide career opportunities in growing fields. Many of the high-demand jobs of the next decade will require degrees and credentials that



can be earned at a fraction of the cost and in much less time than a traditional bachelor's degree. Expanding the availability and promotion of these degrees and credentials will be important to Indiana's economic health.

3. Engagement with employers and the business community is vital to improving the education and workforce development systems.

Though education is more than simply a means to an end, the graduates of Indiana's education systems are only marketable if the skills they possess are desired by employers. Particularly important to the development of a skilled and competitive workforce and the Hoosier economy is the engagement of employers to ensure that the education and workforce development communities are responsive to the needs of the business community and that the supply of and demand for labor is reasonably balanced.

#### Focus Areas for the Commission's Recommendations

The Commission's work began by understanding that Indiana ranks near or at the bottom in educational attainment and per capita income. Yet Indiana's educational institutions are faced with decreasing financial support and increasing pressure to improve performance. Given this assessment, the Commission began by asking how Indiana can better prepare its workforce to attract high-paying industries and meet the needs of a competitive, global economy. In an effort to answer this question and narrow the focus, discussions were structured around several topic areas. These included identifying the skills employers are seeking and ways to encourage workers to obtain these skills, capitalizing on the degrees currently earned at Indiana's colleges and universities and the training funds available to re-train adult workers, and ensuring expenditures are effectively and efficiently utilized.

The initial discussions were largely free-flowing and allowed commission members to share their expertise. In doing so, the group was able to adopt a path forward. After a few meetings it became clear that the discussions continued to return to three main topic areas: improved educational alignment, fostering the continued presence of a competitive workforce, and engaging employers. There was universal agreement as to the importance of these topic areas and their relevance to the Commission's work. Additionally, all three topic areas contribute to Indiana's ability to compete in the global, knowledge-based economy. Once the focus areas were identified, the Commission proceeded to determine how the state could best answer these questions:

- 1. How do we adequately prepare high school students so they are ready to take the next step after graduation?
- 2. How do we successfully get adult workers back into classes or training programs as necessary?
- 3. How do we improve communications between the educational system and employers to enable workers to possess the skills employers are seeking?

#### **Exclusions**

There are two additional topic areas that received some consideration from the Commission but were ultimately not included as focus areas. In both cases their exclusion was not due to a lack of consensus; the Commission recognizes that they are important and warrant consideration but concluded that they were outside the scope of the Commission's work.

The first of these topics is early childhood education. According to the National Institute for Early Childhood Education Research, Indiana is one of only ten states, and the only Midwestern state, that does not have an early childhood education program. There is a substantial amount of research and academic literature that supports the importance of early childhood education to human capital development and individual education outcomes. The Commission has little doubt that Indiana would benefit if it were to expand early educational opportunities to Indiana's youngest residents. Other states are taking steps to ensure their youngest students enter kindergarten



ready to learn and increasing the likelihood that they will finish high school and possess the necessary skills to be successful in their post-secondary pursuits. Without adequate attention to the benefits of early childhood education, Indiana risks falling further behind its Midwest peers and facing difficulty in producing the highly-skilled workers necessary to a thriving knowledge economy.

The second excluded topic area is education funding. Whether K-12 or higher education funding, Commission members acknowledge the importance of public support for education and recognize the tremendous assets currently in place at Indiana's major research universities and throughout the entire education pipeline. These institutions are preparing our future workforce and also serve as engines of knowledge creation and economic development. Our workforce cannot and will not be successful if our colleges and universities do not educate the workforce of tomorrow. The value of public education is tremendous, but it is just as important to acknowledge the existence of limited funds, tight budgets and competing priorities. As a result, the recommendations that follow do not specify a specific level of funding but do assume a consistent level of funding; one adequate to continue to provide existing programs and services.

#### Summary of Analyses/Background Research Conducted for Each Focus Area

Even with historic numbers of Americans out of work, employers across the country consistently report difficulty in securing a workforce with the training and skills their businesses require. According to the Ready Indiana Annual Employer Workforce Skills Survey (p. 1), "[a]pplied skills such as communication and problem solving are the competencies most needed and also those most lacking in employees." Especially troubling, there was a 75 percent increase from 2009 in the number of employers that reported a skills deficit as problematic. These indicators should be a warning signal to policymakers, business leaders, and educators that Indiana's workforce is not adequately prepared for success in the emerging economy.

As international economic forces and technological advances change the nature of the employment landscape, the jobs that require only manual labor are rapidly disappearing. In response to these changes there is a growing awareness of the need for comprehensive efforts to meet the increasing demand for skilled labor and a work-ready labor force. Clearly this challenge will require greater collaboration between educational systems, government, and business. The economic reality of our past has been shattered by the forces of globalization and emergent technologies. Failing to facilitate the meaningful restructuring of our workforce will risk our economic stability for generations. We cannot stop the structural transformation of our economy simply by refusing to acknowledge it.

Over the course of the Policy Choices project, the Education and Workforce Development Commission's work was aided by frequent investigations and evaluations of relevant programs and initiatives outside Indiana's borders. From global and national initiatives to state, regional, and local approaches, the Commission was able to augment the extensive expertise of its members with the valuable lessons learned elsewhere. With a particular interest in what Indiana's Midwest peers have done to address the shared challenge of aligning fragmented systems and supporting the creation of a competitive workforce, the Commission was diligent in its effort to examine the innovative policy tools employed by surrounding states. It is said that our federal system provides a "laboratory of democracy" in which states are free to experiment with policies tailored to the unique economic and social circumstances within their borders. And, while it is true that successful policy implementation in one state does not assure that same policy's success in another, the review of best practices from across the country provided the Commission with important insight into the types of policy tools being employed elsewhere.



In exploring the foundational questions related to educational alignment, creating a competitive workforce, and engaging employers, the Commission scanned the policy arena with an eye towards what is possible and appropriate for Indiana. There is no shortage of creative solutions to many of the challenges facing our state. While the policies and programs highlighted in the following section, and in the appendix to the report, represent only a small sample from the vast array of policy approaches, they do demonstrate the type of background research that has informed the Commission's decision-making and facilitated the development of the Commission's presentation of policy choices.

A more robust compendium summarizing the background research that supplemented the commission's deliberations can be found at the end of the report for those interested in a more detailed description of this work. Organized broadly by orientation and labeled by implementation level (national, state, regional, local), this appendix provides a thorough sampling of policies related to education and workforce development.



# POLICY CHOICES FOR EDUCATION AND WORKFORCE DEVELOPMENT

Meeting bi-monthly and exchanging ideas with their fellow commissioners and Institute staff over the last 18 months, the Commission on Education and Workforce Development produced a comprehensive set of policy choices that provide a starting point in conversations about how to position Indiana to excel. While each commissioner brought a unique combination of experience and expertise, the following policies should be thought of as the collective product of the full Commission, rather than the combination of the individual contributions of its members. The Commission engaged in a collaborative, iterative process in which vigorous debate, even dissent, was encouraged. As might be expected in a group consisting of distinguished professionals from diverse political and career backgrounds, not every commissioner was in complete agreement as to each and every detail of the policies that follow. However, there was a general consensus as to the basic concepts behind the policy options presented below.

The following policy options should be seen, not as silver bullets or panaceas, but as a set of actionable policies that represent a first step in the direction of preparing Indiana and its workforce for a future of sustained growth and shared prosperity.

The Commission for Education and Workforce Development stands behind, and encourages state leaders to thoughtfully consider, the following policy options:

- Align college and career standards for graduation from high school and admission to college
- Redesign the state's workforce training, economic development, and postsecondary education strategies for workers to ensure that they remain competitive in the labor market
- Increase participation by employers in the design and delivery of the workforce development system

# Align college and career standards for graduation from high school and admission to college

In an effort to meet the current and future needs of Indiana's economy and workforce, we affirm that every Hoosier requires, and should be provided with, an education that will prepare them for the knowledge-based economy. We support the following initiatives:

 Integrate the final year of high school with the initial year of postsecondary education for secondary school students who consistently demonstrate proficiency of college-and-career readiness academic standards.

Given the educational requirements of a knowledge economy, preparation for success in higher education should be a primary goal of the K-12 system. The assessment of students in high school should focus on telling students and their families whether they are ready to take credit-bearing courses. College-ready should be defined as not requiring remediation in college at any level.

Indiana has recently taken steps to allow students who complete their high school education in three years the option of skipping their last year in high school and giving them money from the state to offset their college tuition. Though the plan will likely not apply to many students, it does demonstrate the kind of innovative approaches that are needed to make Indiana's education system more efficient.

Whether sending prepared high school students to college or bringing college classes to high school students, it is clear that we must do a far better job of aligning the educational missions of secondary and higher education. Greater integration of these distinct, but interdependent, stages in education can produce a system that is faster, cheaper, and more responsive to the needs of Indiana's economy.



2. Increase dual credit enrollment so that two-thirds of Indiana students will leave high school with at least six college credits.

Currently, the Indiana Department of Education sets a goal for 25 percent of Indiana's high school students to complete dual credit coursework or pass an AP exam. In an effort to reduce postsecondary expenses and increase academic preparedness, more students should be enrolling and completing dual credit courses. The current Core Transfer Library includes 25 priority courses, for which tuition is limited, in 10 subject areas. Overall, the Core Transfer Library includes over 80 courses.

It is critical that our education system efficiently prepares students for career success in a knowledge economy. This means eliminating waste and redundancy in the matriculation process while increasing exposure of students to the academic rigor of postsecondary coursework.

Students who enroll in dual credit courses and leave high school with transferable college credit are far more likely to earn a college degree than their peers who do not. Increasing dual credit enrollment will not only decrease the time and expense of earning a degree, it will help make the transition to college for high school graduates far less difficult.

3. Identify those students unprepared for postsecondary education and training and utilize the final year of high school to provide appropriate remediation.

Students who leave high school without the necessary tools to succeed in college face significant challenges and additional costs in the pursuit of higher education. A 2008 report by the Indiana Commission for Higher Education, Preparing Students for College Success, listed some significant findings related to college remediation. The report found that nearly 26 percent of recent high school graduates take a remedial math or English course or both in college. Remedial coursework strongly predicts the likelihood of degree completion; 76 percent of remedial reading students and 63 percent of those requiring remedial math do not complete a college degree.

The cost of remedial education is enormous and wasteful. Every Indiana high school graduate should be prepared for entry-level, credit-bearing college coursework. Allowing students who fail to meet this standard to enroll in college sets them up for failure and creates a substantial burden on the resources of postsecondary institutions. Students who fall below the standard required for success in college should be identified and provided with tailored instruction to ensure their post-graduation success.

Though we do not support burdening educators and students with more standardized testing, there must be some mechanism for determining which students are prepared to succeed after graduation. Whether a graduate plans to enroll in a four-year degree program, two-year degree program, or earn job skills credentials, they must demonstrate academic proficiency. Illinois utilizes a statewide student assessment, the Prairie State Achievement Examination, given to all of the state's 11th graders to measure proficiency in reading, science, math, and writing. Conducted over two days, the PSAE combines subject matter competency exams with WorkKeys assessments for applied learning.

4. Increase the options available to Hoosiers in the delivery of secondary and postsecondary instruction through the use of technology, nontraditional schools, and accelerated pathways.

Learning should be the constant in the transition between high school and postsecondary education. Such learning should not depend on where students learn or even how they learn, but whether they have the skills, knowledge, and competencies to be successful at the next level of education, or work. There are growing efforts nationwide to restructure secondary education to reflect the changing education and workforce landscape.



In one such effort, the Early College High School Initiative, 13 partner organizations are creating or redesigning more than 250 small schools that blend high school and college. Since 2002, the Early College High School Initiative has started or redesigned more than 230 schools in 28 states and the District of Columbia. The schools are designed so that low-income youth, first-generation college goers, English language learners, students of color, and other young people underrepresented in higher education can simultaneously earn a high school diploma and an associate's degree or up to two years of credit toward a bachelor's degree tuition free. Iowa, Michigan, Ohio, and Wisconsin are all participating Midwestern states.

# Redesign the state's workforce training, economic development, and postsecondary education strategies for workers to ensure that they remain competitive in the labor market

To address the needs of unemployed and underemployed workers, we support the following initiatives:

1. Expand accelerated degrees and intermediate credentialing programs so that many more Hoosiers are prepared for good paying, high-demand jobs.

Accelerated degree programs should become the primary means of delivering associate degree and certificate-level programs over the next five years. The state's public and private colleges and universities should focus more on ensuring that every graduate can demonstrate that they have the knowledge, skills, and civic learning capacities to be able to apply their learning in a variety of work and life settings.

Ivy Tech Community College is implementing a pilot program designed using the Tennessee Technology Centers model. Tennessee Technology Centers offer certificate and diploma programs in more than 50 occupational fields. With affordable tuition and evening classes, the Tech Centers provide low-cost education in areas where students can quickly apply their instruction in well-paying jobs. In collaboration with business and industry, these centers serve as Tennessee's primary providers of workforce development.

The primary objective of the Tennessee Technology Centers is the placement of students in gainful employment upon program completion. Each center makes comprehensive job placement resources available to students including individual counseling, interviewing skill development, job leads and interview scheduling, resume and application package development, letters of recommendation and referral assistance, and part-time job placement assistance during training.

To promote student success, and ensure that applicants are adequately prepared for their program, minimum test scores must be achieved before acceptance into particular programs. The Center at Nashville in 2008-2009 had a program completion rate for students of over 70 percent. While awarding over 600 certificates and diplomas, 81 percent of graduates secured jobs in their field of training. The institution further boasted a pass rate on licensure and certification exams taken by students of over 97 percent.

This model serves to align the supply and demand for skilled labor. Each technology center provides technical training so that workers can obtain the technical skills needed for advancement in an increasingly competitive job market, while helping businesses and industries meet their skilled labor needs.

2. Create an Office of Economic and Workforce Development by integrating the Indiana Economic Development Corporation with the employment and training division of the Department of Workforce Development.

This alignment will connect job generation with job training and placement and help improve the efficient delivery of services and resources. This agency should focus its efforts on aligning economic and workforce



development at the regional level. The agency also should prioritize workforce training leading to industry recognized credentials for the use of federal and state job training funds and should include the programmatic integration of remediation as necessary.

In an effort to streamline and improve economic development efforts, many states have reorganized various state agencies. Recently, legislation in Florida approved the creation of the Department of Economic Opportunity. The agency combines economic, workforce, and community development activities. Similar to many state departments of commerce, the agency allows the Governor to provide \$2 million in economic development incentives without legislative approval.

The Department of Economic Opportunity offers a number of programs for employers and jobseekers. Florida Ready to Work is a credentialing program that allows individuals to obtain employment credentials and helps employers to identify qualified candidates. The Florida Research and Economic Database (FRED) provides applicants, employers and site selectors with detailed information on training opportunities, degree completion and job openings for locations across the state. They also conduct an annual job vacancy/hiring needs survey that identifies current and future openings and targets employment re-training efforts.

3. Align the state's policy-setting initiatives for postsecondary education and training under the Commission for Higher Education, with specific emphasis on increasing system capacity and efficiency that will increase postsecondary attainment.

There are currently three different entities (Commission for Higher Education, Commission on Proprietary Education, State Student Assistance Commission of Indiana) responsible for setting policy for postsecondary education. Consolidating these agencies would lead to policy alignment and greater ability to impact the state's inadequate postsecondary education attainment rate. This consolidation must be more than simply a structural change; it must involve granting greater authority to the Commission for Higher Education to address the critical needs of the postsecondary system.

4. Incorporate the majority of the state's career and technical education into the revamped Commission for Higher Education.

From combined state and federal sources, over \$100 million is spent annually on career and technical education at the secondary level. Since two-thirds of the jobs being created require postsecondary credentials, that same proportion of the money should be invested at the postsecondary level and managed through the Commission for Higher Education in programs culminating in an industry recognized credential.

5. Increase promotion and utilization of The Benefit Bank to ensure residents are receiving all eligible federal and state benefits.

The Benefit Bank was created to provide a web-based system that allows users to see what state and federal benefits they are eligible to receive. Public funds are often underutilized because applicants are embarrassed, intimidated, or unaware of the benefits for which they qualify. The system is currently free to use and is available to public, community, social service, and nonprofit entities; efforts to make it available on community college campuses should be accelerated.

Ohio has been a national leader in the development and implementation of The Benefit Bank. The system in Ohio is a partnership between the Governor's Office and local governments, nonprofits, and faith-based organizations. With the involvement of state and local government, users are able to determine their program eligibility and complete their applications concurrently.



A 2010 report found that over \$2.3 billion in benefits remain unclaimed by Ohioans each year, with 97 percent of these being federal benefits. With an investment of just \$16 million from public and private sources, nearly \$140 million in federal benefits for Ohioans was generated. In 2010 alone, The Benefit Bank helped residents access more that \$70 million in benefits. The report found that over 70 percent of those that completed the application process were approved for at least one benefit program and that half of the clients stated they were unlikely to have applied for benefits without The Benefit Bank.

Indiana is a current Benefit Bank state but has failed to fully implement the product. Purdue Extension Health and Human Services is the statewide partner and a number of local sites have registered, but the connection with the state has not been completed. At this point users are able to determine whether or not they are eligible for programs but must visit another site or office to apply for benefits. This is not only cumbersome but fails to mitigate the embarrassment that discourages many to apply for benefits.

Research shows that a small amount of additional support could have a substantial impact on Indiana's educational attainment. Access to financial aid and other incentives could make the difference in determining whether a student continues to graduation. Many of the structural issues that create barriers for students to complete their education and for workers to upgrade their skills can be overcome simply by improving the delivery and reach of programs meant to assist them.

#### Increase participation by employers in the design and delivery of the workforce development system

Acknowledging the critical importance of an engaged business community in the creation of efficiencies in workforce development that include continued development of regional and industry partnerships vital to the economic development of Indiana, we support the following initiatives:

#### 1. Provide tax incentives for businesses that hire new workers and train incumbent workers.

According to the 2010 Ready Indiana Annual Employer Workforce Skills Survey, employers believe their employees would benefit from additional training, and cite cost as one of the leading factors limiting participation. Providing incentives to employers that offer training opportunities that lead to credentials or support higher wage industries would benefit Indiana's economy, workforce and support economic development efforts.

One state that has made a concerted effort to improve the training level of its workforce is lowa. In 2005 and 2006 lowa had a per capita job training program expenditure of over \$42, making it the highest in the nation. For comparison, Indiana spent only \$5 per capita. Iowa offers seven training programs for new and existing employees in Iowa that include targeted efforts to meet the need for workers in high-demand occupations. The Industrial New Jobs Training provides an opportunity to finance the training of new employees through bonds and withholding taxes generated by the new positions. Training is administered by Iowa's community colleges and essentially is delivered at no-cost to the state or to employers.

In addition to programs that encourage and support the development of partnerships between businesses and local community colleges to development training programs, the lowa Student Internship Program provides grant funding to award scholarships to businesses with 500 or fewer employees in targeted industries. The goal is to match employers with in-state talent and lead to full-time employment after graduation. These types of programs have had a great deal of success at aligning the skills of workforce to the needs of lowa's employers.

#### 2. Create a statewide skills bank to connect employers with the skilled workers they require.

Even with many Hoosiers out of work, employers consistently report difficulty in finding workers with the skills and credentials they value. A skills bank – a public repository of information regarding workforce credentials



- would be a useful tool for employers, economic developers, and educators in evaluating the available talent within a region. Such a resource would accelerate the efforts to increase the proliferation of valuable credentials and provide important information to site locators about the available workforce. The demand for workers with specific skills and credentials will only increase over the next decade and a skills bank would serve to align the supply of and demand for these skills.

South Carolina maintains a skills bank database that provides specific information about certificates issued in the state. Employers can utilize the database to get detailed breakdown regarding the number and type of certificates issued within a WIA region. This tool helps businesses make informed decisions about the availability of a skilled workforce within South Carolina. Data related to the number and level of certification can be retrieved in a matter of seconds from the online skills bank.

#### **IMPLICATIONS**

A future of full employment, economic growth, and shared prosperity is only possible by supporting the education and workforce development necessary to achieve these ends. While Indiana benefits from an impressive collection of higher education institutions, based on current graduation rates, Indiana will not achieve the two-thirds of workers with valuable degrees and credentials necessary to remain competitive in a 21st century knowledge economy. Furthermore, as the nation crawls out of one of the worst economic recessions in its history, it is clear that our education and workforce development systems are going to be asked to do more with less. This unenviable task, increasing the productivity of our systems without compromising quality, will require us to make difficult decisions and implement creative approaches to enhancing the efficiency, effectiveness, and productivity of our education and workforce systems.

While analysts may quibble over the number of skilled workers that will be required in the emerging knowledge economy, it should be beyond debate that Indiana must be proactive to ensure it possesses a globally competitive workforce. The days when a basic education provided lifelong admission into the middle class are a vestige of a predigital age. No longer are Hoosier workers simply competing with their counterparts in Detroit and Cleveland; in an internet age where information travels quickly, the competition now includes workers on continents oceans away, in the industrial base of Beijing and the suburbs of Bangalore. A great deal of work lies ahead in reshaping the Hoosier workforce to meet the expectations of a knowledge economy.

Consider the fact that in 1973 the share of the workforce with postsecondary education stood at 28 percent. By 2007, that number had risen to 42 percent and projections estimate that by 2018, 63 percent of occupations will require some form of postsecondary education (Georgetown University Center on Education and the Workforce). Furthermore, data suggest that the substantial gap in employment and earnings between those with postsecondary education and those without continues to increase. Higher education and productivity gains are closely related; Indiana's short-term economic recovery and long-term economic health will largely be determined by our ability to make the necessary changes to the pathways that lead from education into the workforce.

The message to Hoosiers should be clear – we cannot simply wait this one out. The fundamentals have changed; the transformation of our economy irreversible. The urgency of action is even greater as public financial support for education wanes and the debt burden for students and their families continues to rise. Developing a multimodal educational system that is efficient – that is, a system capable of increasing capacity and degree completion without increasing cost and diminishing quality – will be necessary to meet the enormous challenge of developing a knowledge-economy workforce. Indiana must respond to the emerging consensus that our state will need far more workers with valuable degrees and credentials, and that we will have to educate these workers faster, cheaper, and more effectively. We cannot wish this accomplishment into existence; it will take a concerted effort on the part of policymakers, educators, business leaders, students, and workers. Whatever the speed and course our state may take, we cannot afford complacency; inaction or delay will only make the necessary transformation more costly and painful.



It is important to understand that we cannot age our way out of the impending shortage of skilled labor. Even if, starting today, every high school graduate in Indiana were to go on to obtain a postsecondary degree or credential, Indiana's workforce would still fail to achieve the two-thirds of workers with a valuable degree and credential our economy will need in the next decade. As it now stands, only about one-third of Indiana's 3.4 million adult workers have at least a two-year degree, already five percent lower than the national average. If current rates of educational attainment persist, the Indiana workforce will find itself with a deficit of over 500,000 skilled workers. If we are to avoid this future, we must do far more to engage students, reach out to adult workers, and embrace change.

To be sure, our state and nation face serious economic challenges. Many of the jobs swept away during the Great Recession are likely gone forever. We should not let hope of a quick recovery or the restoration of an obsolete economic model distract us from the challenge of remaking Indiana's economy into an engine for sustained growth.



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#### Appendix A: Background Research

#### **EDUCATIONAL ALIGNMENT**

#### National - The Degree Qualifications Profile

Lumina Foundation recently released a document outlining the initial version of its Degree Qualifications Profile. The Degree Profile framework is proposed as a mechanism for explicitly demonstrating specific learning outcomes reflected in the award of a degree at the associates, bachelor's, and master's level. While this effort does not intend to standardize degree programs across institutions, it provides a tool for students, educators, and employers by providing reference points along the various stages in the learning process.

The Degree Profile seeks to bring clarity to the task of defining "quality" in higher education by focusing on what is learned, rather than simply on what is taught. Over time it is hoped that the Degree Profile will provide a common vocabulary for higher education stakeholders, increase the public understands of the institutional functioning, and create accountability benchmarks for degree programs.

By establishing reference points that articulate academic expectations, the Degree Profile will provide students and advisors a valuable resource in developing an academic plan. Furthermore, the framework will permit faculty to ensure greater alignment between student learning outcomes and departmental objectives. For institutions the Degree Profile can serve as a valuable resource for communicating program expectations to prospective students and in enhancing consistency in higher education.

In practice, the Degree Profile should:

- Make learning outcomes, and not credit accumulation, the basis for determining the quality and value of degrees;
- Generate greater coordination between and amongst secondary and postsecondary schools in regard to academic expectations in specific fields;
- Provide guidance to students entering a degree program, intending to transfer between institutions, or returning to higher education;
- Expand opportunities for alignment of school-based and experiential learning; and
- Enhance assessment of student progress towards degree based on defined learning outcomes.

A Degree Profile can assist students in the process of choosing among hundreds of postsecondary institutions and fields of study. By providing general reference points, the Degree Profile will allow students to create meaningful and well-defined education plans. By making educational outcome explicit, the Degree Profile will enhance student understanding bring transparency to an opaque system of postsecondary matriculation.

Recognizing that many students will change degree programs throughout their academic careers, the Degree Profile utilizes comprehensive competencies that are necessary for various fields of study in addition to the core competencies expected in field-specific knowledge. The Degree Profile describes five areas of learning: Broad, Integrative Knowledge; Specialized Knowledge; Intellectual Skills; Applied Learning; and Civic Learning.

Each of the basic areas of learning is addressed separately, although considerable overlap is inherent. The learning outcomes prescribed do not make distinctions on the degree of mastery, rather they represent the achievement of competence. As the evidence of learning is inherently cumulative, each section of the profile demonstrates incremental progression from one degree level to the next.



The Lumina report also provides a Degree Profile matrix that demonstrates the increasing competencies that are expected from one degree level to the next across each of the five areas of learning. This matrix allows for the comparison of what is expected for each degree level and in each area of learning without regard to the specific field of knowledge.

The full Degree Qualifications Profile is available at: http://www.luminafoundation.org/publications/The\_Degree\_Qualifications Profile.pdf

#### National - Achieving the Dream

Citing the discouraging number of students enrolled in America's community colleges that are inadequately prepared to meet the academic standards necessary to complete their degree, Achieving the Dream, a national initiative to improve student success in community colleges, created a brief outlining the policy initiatives that states could implement to improve the educational achievement of their community college students.

The brief identifies four key areas where states should concentrate their efforts to promote student success: preventative strategies, assessment and placement, implementation and evaluation of program innovation, and performance measurement and incentives.

The report promotes an active role for states in implementing preventative strategies to ensure that high school graduates are adequately prepared to enroll and excel in postsecondary institutions. Among other measures, the report recommends states taking the lead in setting college preparedness standards and in aligning high school curriculum with college entrance standards and expectations. Further emphasis is placed on effective placement-assessment policies that are implemented to improve individual educational outcomes. Such carefully crafted policies can help to identify students in need of intervention and prevent students from being admitted into college-level courses for which they are ill-equipped to succeed.

The brief finds that states must play an important role in identifying and supporting strategies aimed at improving student achievement and institutional performance. State policies should encourage institutional innovation in instruction and support efforts to improve interventions targeted towards students at risk of failure. Because of institutional limitations and the significant costs associated with the evaluation of innovative strategies, states can provide much needed leadership in the implementation and evaluation of these strategies.

By utilizing the influence it wields over academic performance indicators, states can also make considerable contributions to the measure of educational progress and the impact of institutional interventions. States must collaborate with institutions to identify intermediate milestones that have a demonstrated relationship with successful outcomes. This process can reveal significant incentives to help students meet developmental milestones that portend towards graduation and degree completion.

Achieving the Dream encourages states to capitalize on a comprehensive approach to boosting individual educational achievement through targeted strategies aimed at addressing both systemic and institutional barriers to student success. Each of the four strategies addresses critical gaps in the evaluation and implementation of successful approaches to developmental education. State policy can provide leadership and oversight in evaluating program success and facilitating institutional communication to ensure that the most effective strategies are implemented to address academic deficiencies and to ensure student success.

The report can be retrieved at: http://www.jff.org/sites/default/files/DEI\_State\_Policy\_Framework.pdf

#### National - Jobs for America's Graduates (JAG)

To increase the work readiness of its students, many school districts, including several in Indiana participate in the JAG (Jobs for America's Graduates) program. JAG is a school-to-career program implemented in 700 high schools,



alternative schools, community colleges, and middle schools across the country and United Kingdom. JAG's mission is to keep young people in school through graduation and provide work-based learning experiences that will lead to career advancement opportunities, or to enroll in a postsecondary institution that leads to a rewarding career.

For more information about JAG, visit: http://www.jag.org/

# National - Early College High School Initiative

Through the Early College High School Initiative, 13 partner organizations are creating or redesigning more than 250 small schools that blend high school and college. Since 2002, the partner organizations of the Early College High School Initiative have started or redesigned more than 230 schools in 28 states and the District of Columbia. The schools are designed so that low-income youth, first-generation college goers, English language learners, students of color, and other young people underrepresented in higher education can simultaneously earn a high school diploma and an Associate's degree or up to two years of credit toward a Bachelor's degree -tuition free.

See http://www.earlycolleges.org/partners.html#jff for more information about this initiative.

#### Illinois - Prairie State Achievement Examination (PSAE)

The Prairie State Achievement Examination (PSAE) has been implemented as a method of student assessment to ensure that high school students are prepared for postsecondary education or the workforce. The Illinois mandated statewide student assessment is conducted on all of the state's 11th graders to measure proficiency in reading, science, math, and writing. The Prairie State Achievement Examination is conducted over two days and consists of the ACT Plus Writing (four multiple choice exams covering English, math, reading and science), an ISBE science assessment, and two WorkKeys assessments (Applied Mathematics and Reading for Information).

In addition to efforts to certify the work-readiness of the workforce, many states have implemented proactive strategies that actively seek to address demand for skilled labor in important industries.

For information, visit http://www.isbe.state.il.us/assessment/psae.htm

#### Wisconsin - Waukesha County Business Alliance

In an attempt to achieve greater alignment between education and local workforce needs, many workforce development strategies are working to establish partnerships between high school and local businesses. One such partnership has been established in Wisconsin by the Waukesha County Business Alliance.

The Waukesha School District, in collaboration with the Waukesha County Business Alliance, is offering two manufacturing related classes at Waukesha North High School beginning in the fall of 2011. The renewed focus on technical training programs comes as many employers in the manufacturing industry struggle to meet a growing demand for skilled labor.

Employers point to the growing need for workers trained in computer-operated machinery and the aging manufacturing workforce to support the need for more technical training opportunities. To this end, industry leaders have been actively working to change the perception of manufacturing employment and raising awareness of the job growth in advanced manufacturing.

As part of this outreach effort, business leaders teamed with the local school district to develop courses in industrial math and the manufacturing process that integrate algebra, geometry, and trigonometry in an applied mathematics instructional approach. In addition, educators from all 11 school districts in Waukesha County were invited on a bus tour of local manufacturing plants to provide them with a realistic vision of modern manufacturing.



The course curriculum will be developed with substantial input from an advisory committee made-up of industry representatives. It is hoped that the class offerings both introduce students to the employment opportunities that exist in advanced manufacturing and to dispel many of the common misperceptions about the industry. Many students, and especially their parents, maintain a vision of manufacturing as consisting of dirty and back-breaking manual labor.

With the advances in technology and other industry advances, manufacturing has moved far beyond its blue-collar roots, but the deficit of skilled workers has become serious challenge to industry growth. Suzanne Kelley, president of the Waukesha County Business Alliance, called it "one of the top issues that we're hearing from our members. It's the No. 1 issue that we're hearing about from our manufacturing members."

For a fuller description of the program, visit http://www.jsonline.com/business/118884524.html

#### California - Partnership Academies (CPA)

California has established Partnership Academies (CPAs), small learning communities within a larger high school, with a college-preparatory curriculum organized around a career-related theme. CPAs also provides students with work-based learning experiences connected to their classroom studies.

A typical academy enrolls about 100-200 students, a school within a school of sorts, in grades 10-12. A group of students at each grade level take a set of classes together. In grades 10-11, the academy core classes include at least three academic subjects and a career technical class. In grade 12, the academy includes one academic class and the career technical class.

- The program is structured as a school within a school.
- A close family-like atmosphere is created.
- The focus is on student achievement.
- A standards-based academic curriculum and a career-focused curriculum are integrated.
- Mentors are provided for 11th grade students.
- Internship programs are provided. After their junior year, students performing well enough to be on track for graduation are placed in jobs.
- A common planning period for teachers is required.
- An advisory committee is established consisting of individuals involved in the academic operations of the academy and representatives from the private sector.
- Business partners are involved who:
  - o Serve on a CPA steering committee that oversees the program,
  - o Help to develop the career-focused curriculum,
  - o Provide speakers for CPA classes,
  - o Host field trips to give students a perspective of the workplace,
  - o Provide mentors who serve as career-related role models and personal points of contact in the field of training, and
  - o Provide summer jobs and part-time jobs during the school year for students.



- Academy students on average do better in high school than non-academy students. For instance, in 2009, the
  percentage of California Partnership Academy 12th graders who graduated was 93 percent. Statewide, the
  percentage of ALL 12th graders was only 80 percent.
- Academy students fair better in the job market, earning 10 percent more than non-academy students.
- State awards grants to local school districts to operate Academy, but schools are required to match state funds with district and local business partner contributions.

Various business partners are aligned with such a program, but it depends heavily on area. Each academy is required to have an active advisory board representing local employers in the academy's work field.

For more information, visit http://casn.berkeley.edu/downloads/cpa\_in\_action\_5.3.10.pdf

# California – Applications by Business and Labor for Educators (ABLE)

The San Bernardino County Superintendent of Schools has established Applications by Business and Labor for Educators (ABLE), a program that connects teachers with business and labor partners to create examples of authentic mathematics applications that teachers can use in their high school mathematics classes. The program efficiently communicates the mathematics standards to business and labor partners so that examples of authentic mathematics applications can be easily developed. Currently only teachers in school districts in San Bernardino County have access to this program.

California's P-16 Council has recommended the expansion of the ABLE program throughout the state. This expansion would establish a statewide network of local business, labor, and educational partnerships to connect the mathematics curriculum to the workplace. A statewide ABLE program will require the following components:

- A project coordinator for each local partnership who will:
  - o Facilitate and oversee the process and development of the authentic mathematics applications, and
  - o Oversee the compilation and archiving of the work.
- Examples of authentic mathematics applications that will be:
  - o Cross-referenced with the mathematics content standards and that will identify the standards used,
  - Organized by industry sectors,
  - o Compiled in a database that resides at the local partnership, local educational agency, or Regional P-16 Council, and
  - Archived on the California Department of Education web site for statewide access by all educational systems.

A featured ABLE initiative, the Field Study Program, uses an instructional strategy to successfully demonstrate to students the relevance of their academic subjects to the world of work. Through the Field Study Program, business/labor/community partners demonstrate how they use academics within their career field or place of work.

The Field Study Program expands upon the field trip concept, allowing students to visit a business/industry site for an organized tour of the site, where a demonstration of how that particular business/industry uses academic knowledge and skills to accomplish necessary work. The partner works closely with the educator prior to the field study in order to learn more about the content standards the educator is required to teach, as well as core concepts that students need to understand to successfully achieve on standardized testing. With this knowledge, the partner



incorporates some of the standards or core concepts in the field study and provides a hands-on activity or task in which the students apply these standards.

For more information, visit http://www.sbcalliance.org/quality-criteria-of-career-technical-education-program

#### Maine - Competitive Skills Scholarship Program

Maine for example, has created the Competitive Skills Scholarship Program to assist Maine residents in getting the training to fill high-wage jobs in demand. The scholarship is meant to supplement state and federal financial aid for Maine residents pursuing their first post-secondary degree in a high-wage, in-demand occupation. The scholarship is funded through state-mandated employer contributions and can be used to pay for educational support expenses such as child care, transportation, books, and prerequisite training. The Competitive Skills Scholarship totals \$8,000 for full time students and can be used for certification programs in addition to two- and four-year degree programs.

For more on this program, visit http://www.mainecareercenter.com/services-programs/training/cssp/index.shtml

#### Illinois - Critical Skill Shortage Initiative

Illinois has created the Critical Skill Shortage Initiative to meet the employment demands in important sectors. The Critical Skill Shortage Initiative is part of an unprecedented plan to distribute training funds throughout the state in an effort to create jobs and spur economic growth in Illinois.

Launched by The Department of Commerce and Economic Opportunity (DCEO) and the Governor's Office, the Critical Skill Shortages Initiative seeks to promote job creation and economic activity through targeted workforce development strategies. Illinois was divided into ten Economic Development Regions and vital industries were identified for each region. Among the identified industries, Healthcare and Manufacturing were selected for final consideration.

Within the targeted industries, grant proposals were created to request training funds for critical shortages of qualified workers within these fields. Of note, the Southern Economic Development Region (SEDR) received a grant of \$558,000 to support efforts to address the critical shortage of registered nurses in southern Illinois. The Manufacturing Initiative was awarded nearly \$240,000 to assist in skills acquisition for entry-level workers in the manufacturing, distribution, transportation, and warehousing sectors.

For more, see http://cssi.siwib.org/about.htm

#### WORKFORCE DEVELOPMENT

Statewide Strategies - Individual Development Accounts and Lifelong Learning Accounts

#### INDIVIDUAL DEVELOPMENT ACCOUNT

An Individual Development Account is a matched savings account intended to encourage saving, asset development, and financial security for low-income families and individuals. Congress first authorized states to fund IDAs with federal grants through the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. Generally, IDAs are created through agreement between financial institutions and not-for-profit organizations. Program participants are required to attend financial counseling and education classes through the non-profit sponsor as a prerequisite to opening an IDA account at the financial institution.

Once opened, an IDA operates similar to an IRA by matching participant contributions with federal, non-profit,



and private funds. For each dollar deposited by the IDA accountholder, a similar matching deposit is made to a separate account at a one-to-one or two-to-one rate. Typically, the use of IDA savings account funds are restricted to the purchase of a first home, post-secondary education, or the operation of a small business. When enough savings have been accrued, which usually occurs over two to four years, payment is made directly from the IDA and matching account to the asset provider.

#### LIFELONG LEARNING ACCOUNTS

LiLAs are employee-owned accounts, similar in concept to employer matched 401(k) retirement accounts, that are used for education and training. The Council for Adult & Experiential Learning (CAEL) has worked to expand worker access to LiLAs and promotes policies that support these efforts.

CAEL has conducted a number of LiLA demonstrations and pilot programs across the country. In its largest demonstration program, conducted from 2001 to 2007, over 350 employees and 37 employers from Chicago, Northeast Indiana, and San Francisco participated. With nearly a half million dollars accumulated through employee and employer contributions, over half of the LiLA employees in the demonstration had taken at least one course and many had taken multiple classes. Program participants indicated that LiLAs provided a mechanism for them to finance their education and employers reported benefiting from greater productivity from employees who established LiLAs.

CAEL supports legislative efforts to expand worker access to LiLAs and to create tax incentives for employers who contribute to employee accounts.

For more on CAEL and LiLAs, visit http://www.cael.org/

#### Ohio - The Benefit Bank

Many individuals fail to access any or all of the public funds available to assist them because the process is overwhelming, embarrassing, or confusing. In other instances, individuals do not know they meet eligibility requirements for various programs. In an effort to mitigate these obstacles, Solution's for Progress, Inc., developed The Benefit Bank to provide a single point of access for over 20 state and federal benefits programs. The service is fee for both users and partner organizations.

Ohio is one of the national leaders in Benefit Bank program development and implementation. The system in Ohio is a partnership between the Office of the Governor, the Ohio Association of Second Harvest Foodbanks and over 1,000 nonprofit, local governments, faith-based, and private organizations. Due to the involvement of the Office of the Governor and all of the participating state agencies, users are allowed to discover their eligibility for various programs and complete their applications at the same time. The respective public agency is then able to verify eligibility and approve claims.

The Voinovich School of Leadership and Public Affairs at Ohio University has produced a series of reports on the impact of the Ohio Benefit Bank. In the 2010 report they found that over \$2.3 billion in benefits are unclaimed by Ohioans each year and that 97 percent of these are federal benefits. Furthermore, they found that with an investment of \$16 million from both public and private sources they have generated nearly \$140 million in federal benefits for Ohioans. In 2010 alone the Benefit Bank helped residents access more that \$70 million in benefits. Finally, they found that over 70 percent of those that completed the application process were approved for at least one benefit program and that half to the clients stated they were unlikely to apply for benefits without The Benefit Bank assistance.

More information about Ohio's Benefit Bank is available at http://www.thebenefitbank.com/tbboh



#### Arkansas - Workforce Alliance for Growth in the Economy (WAGE)

Arkansas has developed its own system for certifying work readiness with the Workforce Alliance for Growth in the Economy (WAGE). Administered by the Arkansas Department of Career Education, Adult Education Division, WAGE provides job readiness training and offers state certification in three areas: industrial, clerical, and employability. Some highlights of WAGE are:

- WAGE includes 112 basic skills competencies based on the Secretary's Commission on Achieving Necessary Skills (SCANS) which have been determined as essential by the nation's and Arkansas' employers.
- WAGE accepts students who assess at less than a 12.9 grade-level (12th grade, 9th month) equivalency on the
  TEST of Adult Basic Education (TABE) and who have a goal of obtaining a job, retaining a job, improving their
  skill level to gain improved employment, or entering next-level workplace training.
- WAGE is based on the same alliance principles as the Workforce Investment Act and requires more than 50
  percent employer participation on the local WAGE alliance advisory committee for an Adult Education Center to
  become WAGE-certified.
- The alliance also includes participation agreements with the Arkansas Department of Human Services, the Arkansas Department of Workforce Services, WIA, chambers of commerce, human resources associations, local leaders, staffing and training agencies, economic development agencies and boards, as well as other educational providers.
- Participating employers allow adult educators to perform literacy tasks analysis on positions that rely on foundation skills for maximized employee performance. Adult educators use the literacy task analyses to customize competencies within the context of local employers.
- WAGE uses consistent assessment and aptitude instruments statewide. WAGE industrial and clerical
  certificates are recognized by employers statewide as having the same standards of 12.9 grade level
  equivalency on the Level A TABE (math, reading, and language), 100 percent on the WAGE test, and consistent
  achievement levels on the specific industrial and clerical components' assessments and aptitudes.
- Participating employers agree to give added consideration to WAGE students; given all other candidate qualifications are equal.
- Some employers provide various incentives to encourage employees to complete WAGE including: a sign on bonus, increase in hourly rates, release time for classes, or as a pre-requisite to be enrolled in next-level workplace training.

The foregoing information was downloaded from http://ace.arkansas.gov/AdultEd/Fast%20Fact\_revised%20 05.18.10.pdf

# Michigan - Regional Skills Alliance Initiative

Michigan's Regional Skills Alliance Initiative (MiRSA), part of the Midwest Skills Development Center, seeks to provide education and training to meet the employment demands of Michigan. The initiative was recently awarded a Recognition of Excellence Award Honorable Mention at the Workforce Innovations conference by the U.S. Department of Labor.

The Midwest Skills Development Center is a project of the Lake Superior Community Partnership Foundation (LSCPF). The Center provides vocational training and technical diploma programs targeted to meet current and future workforce needs.



The Electrical Line Technician Program, which received Honorable Mention at the International Economic Development Council Conference and recently was awarded first place winner by the Mid-America Economic Development Council, is a collaborative pre-apprenticeship program that prepares participants to install, maintain, and operate electricity delivery systems. The program was created after utility companies expressed concern in meeting the growing need for certified line technicians and with input from industry, educators, and community leaders.

Certified by Northern Michigan University, the program runs from August to April and awards a one-year technical diploma to students who successfully complete the program. Program applicants must be 18 years of age and hold either a high school diploma or a GED. Prior to acceptance into the program, applicants are screened to assess skill level in reading comprehension, basic math, and communication. If candidates do not meet the required levels of proficiency, they may take remedial courses and reapply.

For more information, visit http://lscpfoundation.org/midwestskills.html

Additional information on the Electrical Line Technician Program is available at http://webb.nmu.edu/TechnologyAndAppliedSciences/index.shtml

# Tennessee – Tennessee Technology Centers

Tennessee Technology Centers were established through legislation in 1963. Formerly called State Area Vocational-Technical Schools, each of the 26 Technology Centers is located across the state to ensure maximum access for Tennessee residents. While the State Department of Education initially governed the vocational-technical schools, in 1983, the schools were transferred to the Tennessee Board of Regents. The Tennessee Technology Centers provide specific skills and job training to individuals by offering certificate and diploma programs in more than 50 distinct occupational fields. Through collaboration with business and industry, these centers serve as Tennessee's primary providers of workforce development.

The TTC's offer diplomas and certificates in a variety of industries, from HVAC and Computer Information Technology to Practical Nursing and Cosmetology. With affordable fees, tuition is currently only \$912 per trimester, and evening classes, the TTC's provide low-cost, flexible instruction in areas where students can quickly apply their newly acquired knowledge in well-paying jobs.

The primary objective of the Tennessee Technology Centers is the placement of students in gainful employment upon program completion. Each center makes comprehensive job placement resources available to students to ensure that the instruction they receive results in employment. These services include individual counseling, interviewing skill development, job leads and interview scheduling, resume and application package development, letters of recommendation and referral assistance, and part-time job placement assistance during training.

To promote student success, and to determine whether prospective applicants are adequately prepared for their desired program, minimum test scores must be achieved before acceptance into particular programs. The Tennessee Technology Center at Nashville had a program completion rate for students of 71 percent for the 2008-09 year. While awarding over 600 certificates and diplomas, 81 percent of graduates secured jobs in their field of training. The institution further boasted a pass rate on licensure and certification exams taken by students of over 97 percent.

The TTC model serves to align the supply and demand for skilled labor throughout Tennessee. Each technology centers offers state-of-the-art technical training so that workers can obtain the technical skills needed for advancement in an increasingly competitive job market, while helping businesses and industries meet their skilled labor needs.

For more on Tennessee Tech Centers, visit http://www.ttcnashville.edu/ or http://www.tbr.state.tn.us/schools/default.aspx?id=2654



#### Michigan - Cherry Commission Report

In the final report of the Lt. Governor's Commission on Higher Education & Economic Growth, prepared at the request of Michigan Governor Granholm, the Commission's Participation and Completion Work Groups made several recommendations related to targeting Michigan's substantial population of adults seeking to complete their post-secondary degrees. Among them were "amnesty" for stale or expired college credits, recognition of work-based learning experiences, and better utilization of the education benefits that are provided by many Michigan employers.

The commission made further recommendations to reduce the obstacles to degree transfer and streamline the course articulation process. Among its recommendations, the creation of a Transfer Wizard that provides transfer and articulation information for all Michigan post-secondary institutions and a Milestone Compact that would grant students transferring from two-year to four-year institutions an associate's degree following completion of necessary course work.

For more on the Cherry Report, visit http://www.cherrycommission.org/docs/finalReport/CherryReport.pdf

#### Pennsylvania - Graduate! Philadelphia

Many cities and organizations have recognized the enormous potential in encouraging degree completion. The Graduate! Philadelphia program was founded in 2005 as a response to the shortage of college graduates in the greater Philadelphia region. Graduate! Philadelphia works with employers, community organizations, post-secondary institutions, nonprofit organizations, government agencies, and others to help adults get back to and through college in a timely and efficient manner.

Recognizing the largely untapped opportunity that the pool of adults with some college credit represents to regional business growth and creation, the Graduate! Philadelphia program set goals to:

- Raise the visibility of the need to increase the number of college educated people in Philadelphia;
- Work with Philadelphians who have some postsecondary education and help them get a degree;
- Set an expectation of postsecondary degree completion for all Philadelphians; and
- Engage the business community in the effort.

For more information, see http://www.graduatephiladelphia.org/

#### **EMPLOYER ENGAGEMENT**

#### Nationwide - National Governor's Association Center for Best Practices

The National Governor's Association's Center for Best Practices, in partnership with the Corporation for a Skilled Workforce (CSW) and the National Network of Sector Partners, produced an evaluation framework for state sector-based workforce development strategies. The framework was developed as part of a project, Accelerating the Adoption of State Sector Strategies, which worked with over 17 states to review the implementation of sector-based economic initiatives to develop a framework that can be utilized to evaluate the impact of state strategies.

The development of the Evaluation Framework was intended to provide states with a mechanism for analyzing the results of their own sector strategies and to create efficiency and minimize redundancy by providing a blueprint for states in the development and implementation of their own economic development initiatives.



Among the many measurement categories included in the evaluation framework are worker outcomes, including employment status, earnings, and skill acquisition, and the value to employers, as measured by human resources measures and productivity gains.

As sector initiatives – generally industry-specific efforts to promote economic growth and competitiveness lead by a strategic partner – grow in popularity and prominence, reliable methods of assessing their implementation are important to assure that they are achieving their intended outcomes.

To serve as a resource for state's at varying stages of sector-based development strategies, the project has created a website with resources available to assist the design and implementation of state sector strategies. The site includes a Toolkit that contains information and resources for states at various stages of development. The interactive webpage utilized 12 modules related to each step in the process of development and implementation. In addition to instructional materials related to each stage, each module provides valuable tips and lessons gleaned from the experience of others who have developed similar strategies.

Though every state has its own unique circumstances, many of the lessons learned through Phase 1 of the Accelerating State Adoption of Sector Strategies project can serve to guide similar efforts nationwide. The report stressed that state leadership, particularly from the governor, was critical to the ultimate success of sector strategies. While state sector strategies provide an opportunity to align state resources and provide career pathways to low-income workers, success depends on the careful consideration of appropriate implementation.

Among the recommendations that resulted from the project's first phase, project participants recommended that state leaders:

- Fund it;
- Make sure the nuts and bolts of the state strategy are tight;
- Assign the right people to do the work;
- Market, market, market;
- Measure your success;
- Put the right resources behind evaluation;
- Define regions by what makes the most sense, not artificial boundaries that lack alignment with real world labor markets; and
- Plan for sustainability.

For more information, visit http://www.sectorstrategies.org/system/files/EvaluationFrameworkWhitePaper.pdf

#### **Iowa** – Job Training Programs

In 2005 and 2006 lowa had a per capita job training program expenditure of over \$42 making it the highest in the nation. For comparison, Indiana spent only \$5 per capita. According to the lowa Department of Economic Development web site lowa offers seven training programs for both new and existing employees in lowa:

• The Accelerated Career Education (ACE) program provides an opportunity to train workers in high-demand occupations. First, the program provides funding for the community colleges to increase or expand training programs as necessary. Second, businesses enter into an agreement with the college to sponsor some or all of the positions available in the training, agree to interview the students upon completion of the course(s), share in program design and cost which is pro-rated based upon level of sponsorship.



- The Apprenticeship Program provides classroom and job training for high-tech and other positions that use the latest technologies.
- The Community College Business Network Training allows businesses to partner with one another and to collaborate with the local community colleges to identify training needs and available funds and to receive reduced or no-cost training for their employees.
- The Community College Consortium allows community colleges to partner with two or more local businesses to provide reduced or no-cost training.
- The lowa Industrial New Jobs Training provides an opportunity to finance the training of new employees through bonds and withholding taxes generated by the new positions. The training is administered by Iowa's community colleges and essentially is delivered at no-cost to the state or to the employers.
- The Iowa Jobs Training Program provides training options for current employees. Working with local community colleges, businesses are able to assess their training needs and provide reduced or no-cost training.
- The Iowa Student Internship Program provides grant funding to award scholarships to businesses with 500 or fewer employees in targeted industries. The goal is to match employers with in-state talent.

For more on Iowa's training programs, visit http://www.iowalifechanging.com/business/employee\_training.aspx?id=1

#### Pennsylvania - Industry Partnerships

Pennsylvania has remade its workforce development system to be far more industry-led and demand driven with its Industry Partnerships strategy. As part of this strategy, Pennsylvania has supported the creation of Industry Partnerships that focus on industry-specific training and education through collaboration within industry clusters. By facilitating participation and collaboration, Industry Partnerships create cost-efficient training programs designed to meet the common workforce needs of Pennsylvania industries. By taking an industry-centric approach to workforce development, Industry Partnerships can help to align education and training to industry needs while promoting industry communication.

As of 2009, more than 6,300 Pennsylvania businesses are involved in nearly 80 industry partnerships across the state. Since the initiative began in 2005, over 70,000 workers have been trained and saw their wages increase on average by nearly 7 percent. Most businesses reported significant productivity increases as a result of their participation in Industry Partnerships and 88 percent of participating businesses reported being very satisfied or satisfied with the program.

For more, http://www.portal.state.pa.us/portal/server.pt?open=514&objID=575072&mode=2

#### South Carolina - Skills Bank

South Carolina, which has adopted Career Readiness Certificates, maintains a database that provides specific information about certificates issued in the state. Employers can utilize the database to get detailed breakdown regarding the number and type of certificates issued within a WIA region. This tool helps businesses make informed decisions about the availability of a skilled workforce within South Carolina. Data related to the number and level of certification can be retrieved in a matter of seconds from the online skills bank.

For more on South Carolina's Skills Bank, visit http://www.scskillsbank.com/



#### Georgia - Work Ready

The Governor's Office of Workforce Development established the Work Ready program in 2006 in partnership with the Georgia Chamber of Commerce to provide a skilled workforce capable of meeting the growing demands for skilled labor. At the core of the program is the Work Ready Certificate (NCRC), which provides a way of assessing worker skill. This assessment tool provides employers an efficient way of determining whether job seekers match the needs of the employer. The assessment also provides direction in the provision of worker training to improve worker employability and promote career development. By providing free access to training and Work Ready Certification, Georgia has allowed for greater alignment between worker skills and employer needs.

In addition to providing certification and training opportunities to workers, Work Ready has partnered with Georgia's technical colleges to provide, free-of-charge, opportunities to improve their Work Ready skill levels. The program, Quick Start, provides customized workforce training programs free-of-charge to qualified businesses. In a September 2010 survey of national site selection professionals, Georgia ranked as the #1 state for workforce training. After working with the Quick Start program in establishing the Kia Motor Manufacturing Georgia, the Hyundai Kia Chairman called the program a new "global benchmark." Because a worker's lowest score determines the overall Work Ready Certificate level, skill gap training can enable workers to improve their certification level by focusing on their weakest testing area.

The program also encourages counties to strive for Certified Work Ready Community Status. To achieve this designation a community must create a team of local business, government, and education leaders and develop a plan to improve high school graduation rates and a plan to lead current workers to obtain certification. Each county sets targets, reports results and must develop recertification plans.

Additionally, they developed Work Ready Regions for the rapidly-growing industries of aerospace, advanced communications and manufacturing, bioscience, energy and logistics. These regions are educating all three segments of the labor force. They are working with current students (emerging workforce), those out of work or in need of a career change (transitioning workforce) or those already employed in these industries (existing workforce) looking for advancement. Each region is led by an industry leader and is supported by an industry network to support growth and the development of competitive advantages.

For more information, see http://gaworkready.org

#### Florida - Department of Economic Opportunity

In an effort to streamline and improve economic development efforts many states have reorganized various state agencies. Recently, the Florida legislature approved legislation creating the Department of Economic Opportunity. The agency will include economic development, workforce development, housing and tourism activities. It is similar in structure to many state departments of commerce. The official start date for the agency is October 1, 2011, and allows the Governor to provide up to \$2 million in economic development incentives without legislative approval or consultation. The Governor can offer up to \$5 million in incentives by notifying the Legislative Budget Commission (LBC). If incentives are to exceed \$ million, approval must be obtained from the LBC.

The workforce development programs delivered by the agency include Unemployment Compensation, Labor Market Statistics, to Office for Civil Rights, and the Office of Early Learning. There are two primary Early Learning programs both designed to impact future academic success and educational attainment. The School Readiness Program is targeted for at-risk students and their parents to ensure the students are prepared for school. The main features include health screening and referral and the design of developmentally suitable education programs. The Voluntary Prekindergarten is free for all four year olds in Florida. There are both public and private program providers with limits in class size and requirements for the number of hours of instruction and instructor qualifications.

For a description of the department, visit http://www.oppaga.state.fl.us/profiles/6101/



#### California - P-16 Council

The California P-16 Council is a high level statewide assembly of educators from preschool, K-12, higher education, business, philanthropy, and community leaders appointed by the California's Superintendent of Education. The goals of the P-16 Council are to:

- Improve student achievement at all levels and eliminate the achievement gap;
- Link all education levels, preschool, elementary, middle, high school, and higher education, to create a comprehensive, seamless system of student learning;
- Ensure that all students have access to caring and qualified teachers; and
- Increase public awareness of the link between an educated citizenry and a healthy economy.

The council is part of the California Department of Education and consists of 52 board members who sit on various subcommittees. Quarterly meetings are rotated throughout California to accommodate the geographic diversity of the council's membership.

For more information, see http://www.closingtheachievementgap.org/cs/ctag/print/htdocs/about\_p16.htm

#### Maine - North Star Alliance Initiative

Maine has taken a more comprehensive approach to ensure the economic growth and health of its important coastal region. The North Star Alliance Initiative is an industry-focused economic development initiative, referred to as the North Star Alliance Initiative, designed to promote growth and create jobs in coastal Maine. As part of this comprehensive strategy to reposition coastal Maine's economy for the future, a four pillar strategy has been adopted that concentrates on Workforce Development, Research and Development, Outreach and Market Development, and Capitalization and Infrastructure Development. The initiative is industry-driven and has established partnerships with major industry associations and institutions of higher education.

As part of this collaborative effort to integrate the education, workforce, and economic development systems, North Star Alliance partners have identified the following six goals:

- Create high quality, skilled jobs that support the competitiveness of the targeted industries, the income of Maine workers, and a return for the public investment.
- Expand current markets and develop new ones so that the boat building, composites, and marine trades industries achieve global industry leadership.
- Transform and build upon the capacity of the public system to nimbly and flexibly support competitive boat building, composites, and marine trade industries that are looking to expand capacity, create and/or improve their workforce, and/or take their technology to the next level.
- Through advanced training opportunities build on the willingness, ability and skill sets of both the current and future workforce.
- Ensure that the economic development delivery model is sustainable and can be replicated for other targeted industries and regions.
- Catalyze innovation through research, development and workforce preparedness that will sustain and improve the global competitiveness of Maine's boatbuilding, composites and marine trades industry.
- Expand new market development initiatives within the boat building and composites industries, extend the reach of Maine products into the global economy.

More information is available at http://www.maine.gov/wired/index.shtml



#### Alabama - Alabama Technology Network (ATN)

Alabama has established the Alabama Technology Network (ATN) as part of effort to serve the state's important manufacturing industry. Formally established in 1995, the state legislature provided funding from the University of Alabama's and Auburn University's budgets to fund the initial centers. That same year, ATN became the National Institute of Standards and Technology's Manufacturing Extension Partnership affiliate which expanded ATN's role to include technical assistance and training to Alabama's manufacturers. In 2004, ATN became part of the Alabama Community College System, the state's system for two-year colleges.

ATN links two-year colleges, the University of Alabama System, Auburn University, and the Economic Development Partnership of Alabama together to solve the needs of the state's existing manufacturing industry. ATN offers Alabama manufacturers training and services through nine product lines or Communities of Practice. ATN's sites are strategically located throughout the state to provide local points of contact in order to train Alabama manufacturers in need of assistance.

For more information, visit http://www.atn.org/

#### Global Study - IBM 2010 Global CEO Study

The IBM 2010 Global CEO Study, Capitalizing on Complexity, is the fourth in IBM's Global CEO Study series. The 2010 study reports findings based on face-to-face interviews conducted with over 1,500 CEOs, managers, and senior public sector leaders from sixty countries and across 30 industries.

Most significant among the study's major findings were the chief executives views on the enormous pressures their enterprises face amidst the increasing complexity of global business. Faced with increased government regulation, a rapidly evolving global economy, and accelerating shifts in customer preference and industry practice, CEOs identified creativity as the most important leadership quality for the future success of their businesses.

While over 60 percent of CEOs believe that industry transformation is the primary contributor to uncertainty and eight in ten CEOs expect their particular industry to become more complex, only 49 percent believe their organizations are prepared to confront the increasing uncertainty, volatility, and complexity of the modern business climate. As a result of an increasingly interconnected global economy and rapid advancements in technology, 76 percent of surveyed CEOs foresee a shift in economic power to developing markets.

Continuing a trend from past surveys, the anticipated impact of technology on business has moved from 6th to 2nd place in reported importance. This finding supports the general observation that technology has both contributed to the rapidly accelerating complexity of the modern business world and become indispensable in confronting the increasingly interconnected and complex world it has helped to create.

The study also highlights the qualities of top-performing organizations based on their financial performance over the previous five years, including the most recent global economic downturn. Significantly, ninety-five percent of the top-performers identified greater customer engagement through technology as the most important initiative in the coming years. These businesses are far more likely than their industry peers to view technological advances and the information explosion as strategic opportunities.

The full study is available at ftp://public.dhe.ibm.com/common/ssi/pm/xb/n/gbe03297usen/GBE03297USEN.PDF



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