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Approaches to State Workforce Development Systems

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As states continue movement toward ambitious attainment goals, many are calling increased attention to post-graduation outcomes — including workforce development and graduate impact on a state's economy. A clear focus in these efforts is postsecondary credential alignment with the needs of employers in both capacity and skills. A recent [Gallup survey](#) found that only 26 percent of working adults with college experience strongly agreed that their education is relevant to their work or daily life. States approach this issue in multiple ways, including through increased funding for direct interventions (see [New York](#) or [Virginia](#)), and task forces aimed at outcomes and needs alignment (see [Missouri](#)). No matter how states decide to move workforce development forward, the need for strong leadership, community buy-in and multi-agency collaboration persists.

Along with state initiatives and task forces, an increase in workforce development legislation highlights a movement toward codifying progress. Legislation in 2018 pertained to clear career pathways, financial incentives and strong partnerships or working groups. Coupled with the recent passage of the [Strengthening Career and Technical Education for the 21st Century Act](#) at the federal level, this recent legislation illustrates a clear focus on workforce development and forward progress. To take a deeper look, Education Commission of the States visited four states to gain an on-the-ground perspective of these developments in postsecondary and workforce alignment. In addition to highlighting trending workforce development legislation and key findings from those state visits, this brief provides questions states might consider in their progress to align postsecondary credential outcomes with workforce needs.

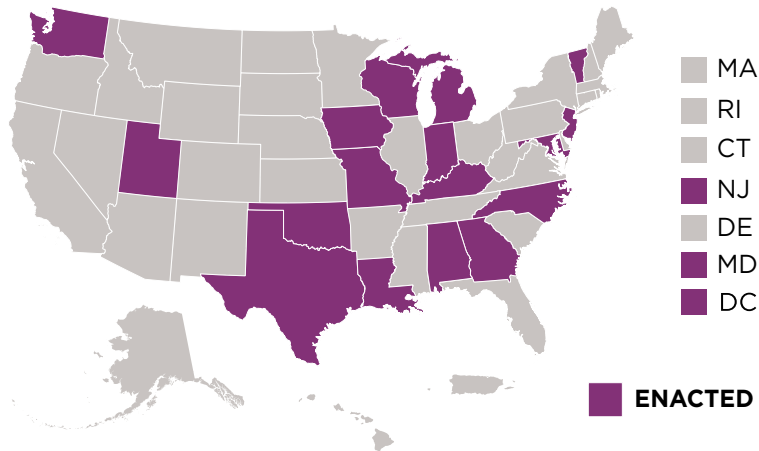
In 2018, 28 bills pertaining to workforce development were enacted in 17 states.

Strong data utilization, collaboration, leadership, outcomes alignment and funding can prove pertinent in a state workforce development system.

States identify the importance of postsecondary-to-workforce alignment through creation of pathways, development of workforce boards, and allocation of resources.

2018 Policy Landscape

2018 Enacted Workforce Development Policies



In 2018, 32 states, plus the District of Columbia, introduced 166 bills related to workforce development. Of those bills, 28 were ultimately enacted in 17 states, plus the District of Columbia. Enacted legislation covers multiple topics — including career pathways and skills, financial incentives, workforce data, and partnerships and working groups — and centers on three clear themes: collaboration and coordination between agencies/departments, alignment between training/education and workforce needs, and financial incentives for students receiving training for high-demand fields. These themes align with recent workforce development reports and non-legislative action taken by states.

At least half of the 2018 legislative activity created or increased financial incentives for students and institutions in alignment with high-demand fields. In **Michigan**, [S.B. 941](#) establishes and provides funding for the Michigan Talent Pledge Scholarship program, which assists low-income individuals with the cost of obtaining a qualifying degree or credential in high-demand fields. [S.B. 104](#) in **Utah** creates the Talent Development Incentive Loan Program to recruit and train individuals to work in certain jobs that have a high demand for new employees and offer high wages. States are also focused on high-demand fields and ensuring graduates are equipped with the skills required for jobs that are either currently vacant or are projected to be created in the near future. **Vermont's** [H. 919](#) highlights how the state looks to create a workforce development system focused on collaboration across agencies and alignment of skills with workforce needs.

REDESIGN AND RESTRUCTURE OF

Vermont's Workforce Development and Training System

[H. 919](#) directs the State Workforce Development Board, over three years, to collaborate with the department of labor and agencies of commerce and community development, education, human services, agriculture, food and markets, natural resources and transportation to align, coordinate and engage workforce stakeholders.


The bill requires the board to:

- Develop career pathways beginning no later than seventh grade.
- Pilot career readiness programs for middle school students and approve up to four career and technical education pilot projects.
- Ensure funding for adult training programs that responds to labor market demands and gives adult learners necessary knowledge to enter the workforce.
- Allow adult training programs to be offered at regional CTE centers, nonprofit and private entities and institutions of higher education.

State Interview Case Studies

Seeing strong legislative trends and increased media attention around workforce development, Education Commission of the States sought to hear directly from states on how they align postsecondary credential outcomes with employer needs and economic development. As widely reported, [65 percent](#) of jobs in 2020 will require some level of postsecondary education beyond high school. Understanding the realities of that statistic, states increasingly create initiatives, policies and strategies to continue workforce development progress and meet their specific economic needs. Given different governance structures and political landscapes, states tackle this topic in many ways to fit their unique political environment.

In spring 2018, Education Commission of the States conducted interview case studies in four states — **Connecticut, Oregon, South Carolina** and **Texas** — to seek information on how they form their workforce development systems and what efforts are taken to align postsecondary outcomes with workforce needs. Each state provided examples of progress with workforce policies and initiatives. In-person interviews revealed the multitude of ways states approach workforce development and engagement between the postsecondary community and employers, and five themes emerged: data utilization, coordination and collaboration, leadership, outcomes alignment and funding. The following section highlights these five themes, or components, of workforce development systems and incorporates state-specific examples.

 I'm excited about what we are starting to do on data as we better pull together wage data from the department of labor with our higher education data we have at our commission.

— STATE POSTSECONDARY LEADER

Key Components

Through interview transcription review, Education Commission of the States found five emerging themes states highlighted when discussing workforce development systems — all of which evolved into key components of workforce development systems within states. These components are listed here in no particular order of importance and are consistent across all four states interviewed, providing a strong case for each to be included in workforce development systems.

Data Utilization

States collect an abundance of data on a range of topics across the P20 workforce (P20W) spectrum, but their ability to utilize the data varies. Education Commission of the States asked how they are using education and workforce data to develop, support and inform their workforce development and education initiatives.

Sixteen states, plus the District of Columbia, have P20W longitudinal data systems, and many others recognize that it is necessary to look across education and workforce silos to bring data together to better understand the interplay between workforce and education needs within their state.¹ Through discussions, states said that analyzing P20W data alongside workforce data allows them to identify needs and align programs.

The Texas Workforce Commission recognized the need to examine data cross the P20W spectrum. “We look at the data in virtually everything we do in terms of academic planning,” according to a **Texas** state official. They use workforce data to identify labor shortages in certain sectors of the economy and compare it with education data to identify ways that education programs can be improved and developed to meet the state’s needs.

States recognized that even if they collect data across the P20W spectrum, many lack the capacity and resources to maximize the potential use of the data — and this stems from two overarching issues: One, the state has an absence of staff capacity to work with the data; and two, the state lacks sound longitudinal data governance that hinders its ability to organize, share and analyze data. One state described this dichotomy:

“We have a couple of systems that share data across agencies. But they either don’t have effective governance groups because of staff change over time. Or they don’t have an easy way to work together. And so we spend a lot of time wishing we were 300 times better than we are and thinking about how do we make the state longitudinal data system do all of the things that everybody wants? Those conversations take a lot of time and over years and millions and millions of dollars.”

For states to fully utilize the data they collect, there needs to be infrastructure to share data and capacity to analyze data for state-specific needs.

Coordination and Collaboration

Within a state workforce system, there are myriad stakeholders and interests that need to come together around a common goal, and states recognized the importance of forming intentional collaboration to advance their workforce development initiatives. States that reported forming broad, cross-agency collaboration expressed greater progress and potential for their workforce development systems.

For example, **Connecticut** identified that unless a diverse coalition of agencies comes together around a common agenda, the state will struggle to have a robust workforce system. A postsecondary system representative from **Connecticut** captured the importance of cross-agency collaboration: “Nothing works unless there’s a pretty broad group fighting for it at the same time.” With this mindset, **Connecticut** has worked to form a common agenda around workforce development that has brought the health and human services, education and labor departments together.

Despite considerable efforts to work across agencies, states face challenges in sustaining their collaborations. A state representative captured the essence of this issue:

“We do have good relationships; it is very person-based. If anyone of us moved, things change. And so how do we make sure that the work continues as we all move around?”

Because of these concerns, states — such as **Georgia**, **Indiana**, **Iowa** and **Utah** — have begun to codify collaboration through task forces, boards and councils. The legislation in these states brings a diverse range of stakeholders, instead of a group of single-sector individuals, together around a common workforce-oriented goal.

Leadership

For an issue to advance and rise to prominence, there must be leaders who form a strategic vision for stakeholders to rally around and raise awareness of the issue in the eye of the public. States expressed that leadership is important, but there is a need for a coalition of leaders to truly drive results. States that saw clear leaders across government and champions of the issue expressed optimism about the opportunity and direction of their workforce development system.

In **Oregon**, Gov. Kate Brown not only trumpeted the importance of workforce development in her [2018 State of the State address](#), she also proposed an agenda for the state to follow. **Oregon** recognized that leadership needs to stretch beyond the governor to other parts of the government to drive its workforce development goals. A state official articulated the role of cross-governmental leadership:

“I think for me it’s really the intentional leadership, because if your leaders aren’t focused on this — I mean, governor, agency head, legislators — if they’re not focused on it, it doesn’t happen. Or it happens so organically and so under the radar that it doesn’t move anything. And so that key leadership has helped us move leaps and bounds in the last couple of years.”

To develop and drive programs forward, government bodies play an important role. To develop, form and implement workforce development policy, legislative bodies and agencies must elevate the issue and work together to enact and administer policy. Beyond department heads and individual legislators, the bodies must set priorities and find ways to work together to accomplish an overarching goal of advancing workforce development in their state.

Outcomes Alignment

In order to ensure postsecondary graduates are prepared for the workforce, institutions (specifically, community colleges) and employers work toward aligning curriculum outcomes with employer and economic needs.² A [survey](#), conducted by Manpower Group, found that 45 percent of over 39,000 employers reported difficulty filling jobs because of candidates’ lack of skills. As sector partnerships increase and prove successful, states show interest in creating stronger alignment between postsecondary outcomes and industry needs.

Some of the 2018 legislation spoke to this need for alignment through the creation of workforce development boards, including [S.F. 2353](#) in **Iowa**. The bill requires local workforce boards to lead efforts in the region to develop and implement career pathways by aligning the employment, training, education and support services for adults and youth, especially for those with a barrier to employment. Similarly, in 2016, **Texas** created the Tri Agency Workforce Initiative, requiring the Texas Higher Education Coordinating Board, Texas Workforce Commission and Texas Education Agency to, as one interviewee explained, “align and then show where we have alignment externally.” This came from the governor and has since created a strong partnership between the agencies.

Along with alignment of stakeholders, clear alignment of postsecondary credential outcomes with economic needs proved important to the states interviewed. One state described this importance as such:

“And so sector strategies are important because they take the individual work that we do with the different companies as we make investments through our local boards and our community colleges or technical schools, and then we can shift curriculum to be more uniformly responsive to ... these different companies in these sectors in advanced technologies and manufacturing or in healthcare as a part of the biotechnologic science cluster, and better bring them together and leverage investments that are being made and more uniformly try to equip the regional workforce with the skills that that sector needs.”

As industry needs change, it becomes imperative to foster strong partnerships between postsecondary education and employers in the state. As one state put it: “If we’re going to send you out to attract and bring businesses to our state, shouldn’t we at least be gearing some of our educational practices to what you’re trying to do?”

Funding

Finding sufficient funding to implement innovative policies and initiatives at scale can be problematic. State budgets are stretched thin, making it difficult to prioritize the needs of each agency. Understanding the volatility of state-level funding, agencies turn to additional funding sources, including the federal government and industry partners.

In 2014, the [Workforce Innovation and Opportunity Act](#) was enacted and designed to strengthen and improve the U.S. public workforce system by directing federal funds to state and local governing boards to provide workforce training.³ Agency heads understand the importance of combining current state funds with WIOA and other federal dollars for coordinated workforce efforts. As a participant acknowledged, “It’s really leveraging those federal dollars and figuring out how to make that all work.”

The SNAP 50/50 program was specifically highlighted in **Oregon** as an innovative way for states to marry current state funding with federal funding programs.

“And we’re doing a lot of work with SNAP 50/50 and bringing that money into the state. We have multiple partners that are doing that. Community colleges do it. Our work source centers. We have Goodwill as a partner in some areas. So really looking creatively at how to leverage that money and what the services look like.”

[SNAP 50/50](#) is a subset funding source through the SNAP Employment and Training (E&T) program. Through this program, colleges, community-based organizations and other organizations provide training; and their investment of non-federal dollars is reimbursed by the U.S. Department of Agriculture using 50/50 funds. These funds cover additional costs not encompassed in the funds from the E&T program.

In addition to leveraging federal funds, states look to the business community for training investments. One participant stated, “With limited resources, we’ve got to work with businesses [that] are willing to invest on their own and industries that are willing to invest on their own.” A member of a statewide workforce board in a participating state summed up this sentiment as such:

“If we can partner with business in a more meaningful way that really — again, not to be cliché but — gets back to meeting their needs and they see that our vision links up with that, then they’re willing to come to the table and invest because they know they’re going to get a return on that investment. And so the more that we can do of that type of thing, I think the better.”

Iowa addressed business community involvement through [H.F. 2458](#), creating the Future Ready Iowa registered apprenticeship development program. The program provides financial assistance to incentivize small- and medium-sized apprenticeship sponsors to establish new or additional eligible occupations to support growth of apprenticeship programs and expand high-quality work-based learning experiences in high-demand fields in the state. The bill highlights the need to incentivize employers to provide paid training opportunities, which then lead to a direct path to employment for students.

Questions to Consider

As states continue progress in developing or implementing workforce development systems, they might consider the following questions:

- Does your state currently collect student-level data through the P20W continuum? And if so, does the state have the capacity to analyze and utilize the data to make informed decisions around workforce needs and alignment with postsecondary education credentials?
- Who are the key players needing to be at the table to continue workforce development progress? Are there champions in the state, garnering buy-in from postsecondary education leaders and importantly employers?
- How can your state leverage interagency relations to create clear pathways into the workforce? Are pathways designed for multiple student populations?
- How can your state be creative with minimal funding streams? Where can collaboration between agencies or leveraging federal dollars contribute to workforce development efforts?

“ You have to try to grow that very workforce specific investment, and then you have to look at the bigger pie and say, what are we doing with our education dollars — K-12, higher ed — to help produce better outcomes for the workforce?

— POSTSECONDARY AGENCY REPRESENTATIVE

Final Thoughts

Given the changing workforce landscape and skill needs, states grapple with how to best coordinate a seamless workforce development system with clear pathways to employment. The legislation and components highlighted in this brief point to areas states deem important to the conversation and connecting practice and policy. With that said, no one component can stand alone without relation to another. For example, data utilization cannot be effective unless a state has cross-agency collaboration, and alignment between postsecondary outcomes and workforce needs cannot succeed without strong leadership from multiple sectors. And finally, funding is a common stream throughout each component. The trends in 2018 legislation align directly with components that emerged through state interviews. Every state has unique governing structures and political environments affecting whether workforce development is codified through policy or initiatives. Regardless, states continue to acknowledge that postsecondary-to-workforce alignment is important and to dedicate resources to continue progress.

“ I’m seeing more progress than I’ve seen in a long, long time because of that intentional effort to align everybody in one direction.

— WORKFORCE BOARD MEMBER



ENDNOTES

1. Zeke Perez Jr., *Examining SLDS Development and Utility* (Denver: Education Commission of the States, March 2017), <https://www.ecs.org/examining-slids-development-and-utility/>.
2. Katie Brown, *Powerful Partners: Business and Community Colleges* (Washington DC: National Skills Coalition, July 2018), <https://www.nationalskillscoalition.org/resources/publications/file/Powerful-Partners-Businesses-and-Community-Colleges.pdf>.
3. Colleen Campbell and Ivy Love, *Leveraging Community Colleges in the Workforce Innovation and Opportunity Act: A Blueprint for State Policymakers* (Denver: Education Commission of the States, December 2016), <https://www.ecs.org/leveraging-community-colleges-in-the-workforce-innovation-and-opportunity-act-a-blueprint-for-state-policymakers/>.

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