

March 25, 2019

The Honorable Susan Davis
Chair
Subcommittee on Higher Education
and Workforce Investment
Committee on Education and Labor
U.S. House of Representatives
2181 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Lloyd Smucker
Ranking Member
Subcommittee on Higher Education
and Workforce Investment
Committee on Education and Labor
U.S. House of Representatives
2101 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Davis and Ranking Member Smucker:

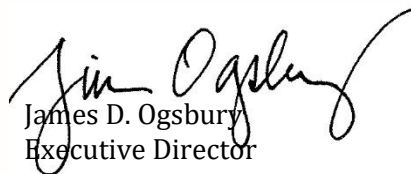
In advance of the Subcommittee's March 27, 2019 hearing on Innovations in Expanding Registered Apprenticeship Programs, attached please find two Western Governors' items related to apprenticeship programs:

- Western Governors' Association Policy Resolution 2018-13, Workforce Development in the Western United States; and
- the Western Governors' Workforce Development Initiative Special Report.

I request that you include these documents in the permanent record of the hearing, as they articulate Western Governors' policy positions and recommendations on this important issue.

Please contact me if you have any questions or require further information. In the meantime, with warm regards and best wishes, I am

Respectfully,



James D. Ogsbury
Executive Director

Attachments



Policy Resolution 2018-13

Workforce Development in the Western United States

A. **BACKGROUND**

1. Workforce development efforts contribute to the economic well-being of western states by enabling people to find fulfilling, well-paying jobs, fostering economic mobility, and ensuring that businesses have access to the skilled employees they need to thrive.
2. Western states had an average unemployment rate of just under 4.0 percent in March 2018.¹ Many businesses report that they cannot find qualified candidates for open positions. At the same time, many jobseekers are unable to find good jobs for which they are qualified.
3. Workforce development challenges are particularly acute in rural communities, which are commonly characterized by higher rates of unemployment, a lack of economic diversity, geographic isolation, and limited infrastructure, including access to broadband.
4. Economic equity continues to be a problem across states, with people of color and people with disabilities, regardless of career preparation and credential levels, seeing poorer rates of employment and earnings than majority populations.
5. There are 6.6 million unfilled jobs in the United States due in part to a shortage of workers with the skills and qualifications to fill those positions.² The largest gap is in middle skills jobs, which require more than a high school diploma but less than a four-year degree.
6. Postsecondary education and training is critical in today's economy. Almost 80 percent of jobs in the United States require a postsecondary credential, including certificates, associate degrees, four-year degrees, and licenses.³
7. On average, those holding a bachelor's degree earn more than those who have not attained that degree, but those who do not reach that level of education can still find good employment. There are 30 million jobs that don't require a four-year degree and pay at least \$35,000 per year with a median salary of \$55,000.⁴
8. Education systems have not kept pace with economic realities. Student success is traditionally perceived, and measured, as moving directly from high school to a four-year degree program. Today, only 20 percent of students successfully complete that traditional

¹ Bureau of Labor Statistics, Local Area Unemployment Statistics, May 18, 2018.

² Bureau of Labor Statistics, Job Openings and Labor Turnover Summary, May 8, 2018.

³ National Skills Coalition, [United States Middle-Skill Fact Sheet](#), February 2017.

⁴ Carnevale, A.P., Strohl, J., and Ridley, N., [Good Jobs that Pay Without a BA: A State-by-State Analysis](#). Georgetown University Center of Education and the Workforce, 2017.

pathway to their career.⁵ The rest are finding their own pathways to success, which may include entering the world of work or pursuing other types of credentials. Many, however, encounter obstacles.

9. On average, only about one-third of high schoolers are engaged in school, meaning that two-thirds are not actively involved in or enthusiastic about school.⁶ Three million young adults ages 16-24 are not participating in either work or education.⁷
10. Additionally, many Americans start a college degree but do not complete it, leaving them with the burdensome costs of higher education but no wage benefit – 35 million people over 25 have some college credits but no degree.⁸
11. As students increasingly pursue indirect routes to higher education, over 70 percent of students enrolled in postsecondary education are now “nontraditional students” who may be older, working full or part time, or caring for children.
12. Technology will continue to be a disruptive force in the labor market, driving potentially drastic changes in the labor demands of certain industries. It is expected that many jobs that will be in demand in 2030 do not yet exist. Workers will need to be able to acquire new skills over their careers to adapt to change. Up to one-third of U.S. workers in 2030 may need to learn new skills or move into a new occupation due to the impacts of automation.⁹
13. To address these issues, Western Governors have prioritized a variety of workforce development efforts, from better aligning education with labor market demands to expanding workforce services and training opportunities for the unemployed and underemployed to attracting more skilled workers.
14. Western states are also leading the way on expanding work-based learning opportunities for both students and adults. Work-based learning programs, including registered apprenticeships, allow people to acquire in-demand skills while earning a salary.
15. Employer leadership is critical to ensure that workforce development efforts are satisfying the needs of an ever-changing economy. Businesses in the West have taken an active role in working with educational institutions and workforce agencies but increasing industry participation will remain critical.

B. GOVERNORS' POLICY STATEMENT

1. Western Governors recognize that there are many pathways students can take to a successful career, including short-term education and skills training or work-based learning

⁵ U.S. Department of Education, National Center for Education Statistics, [The Condition of Education 2017](#), May 2018.

⁶ [2016 Gallup Student Poll Snapshot Report](#)

⁷ Brookings, [Employment and disconnection among teens and young adults: The role of place, race, and education](#), May 2016.

⁸ U.S. Census Bureau, Educational Attainment in the United States: 2017, December 14, 2017.

⁹ McKinsey Global Institute, [Jobs Lost, Jobs Gained: Workforce Transitions in a Time of Automation](#), December 2017.

programs such as registered apprenticeships. Students and jobseekers should have access to understand their options and the potential outcomes of these programs.

2. Facilitating lifelong learning is essential to prepare for the impacts of technology on the labor market. Western Governors encourage Congress to increase student access to short-term education and skills training programs in reauthorization of the Higher Education Act, including through expanding the Pell Grant program to include high-quality short-term training programs leading to industry-recognized credentials. These flexible work-force oriented funds should be coupled with plans to adopt and report outcomes metrics tied to employment and earnings to maximize the success of this policy in equipping workers for high-opportunity jobs and careers.
3. Western Governors also support the expansion of work-based learning programs, including registered apprenticeships. Western Governors encourage Congress and federal agencies to support and incentivize state-, local-, and industry-led partnerships to create and scale work-based learning and apprenticeship programs. New federal investments in apprenticeships should align with existing efforts to foster a coherent system with minimal duplication at the federal, state, and local level.
4. Career and technical education (CTE) helps expose students to their career options and develop skills they will need in the workforce. Western Governors call on Congress to reauthorize and fully fund the Carl D. Perkins Career and Technical Education Act. Reauthorization of the act should take into consideration the following principles:
 - Governors and states are in the best position to determine how to use federal CTE funding to meet the unique needs of their economies.
 - High-quality CTE programs should lead to in-demand, high wage careers; include career and academic advising; include pathways to four-year degrees, for example through articulation agreements or stackable credentials; and develop employability skills through integrated education and training, work-based learning or leadership opportunities.
5. Western Governors note that federal funding for workforce development through the Workforce Innovation and Opportunity Act supports economic growth and job creation in the states. Western Governors request that the 15 percent reserve for statewide activities be maintained. This funding allows Governors to be flexible in addressing state needs and supports innovation.
6. Western Governors encourage the federal agencies, including the U.S. Department of Labor and U.S. Department of Education, to coordinate their efforts to better align federal workforce development, career and technical education, and higher education programs.
7. Western Governors recognize the benefits of measuring and reporting outcomes by institution and program. Reporting completion rates, employment and earnings will provide useful information for students and their families and help promote the success of these programs to prepare students for in-demand jobs and careers in their regions. Western Governors encourage Congress to include the College Transparency Act in reauthorization of the Higher Education Act, to adopt and report on earnings, employment,

and credential attainment metrics by education provider and individual program in a manner that protects student privacy and ensures data security.

8. Employers play an important role in state workforce development efforts. Western Governors support efforts to incentivize employers to play a more active role in talent development, through partnership with state workforce development agencies and educational institutions or investments in the skills and training of their employees.
9. Rural communities are at risk of falling further behind in skills necessary for the economy of the future due to a lack of broadband access. Western Governors encourage federal agencies and Congress to continue to deploy resources to solve this urgent need.
10. Professional licensing requirements vary by state and can create a barrier to mobility for professionals in western states. Where possible, Western Governors should work together to minimize this barrier.

C. GOVERNORS' MANAGEMENT DIRECTIVE

1. The Governors direct WGA staff to work with Congressional committees of jurisdiction, the Executive Branch, and other entities, where appropriate, to achieve the objectives of this resolution.
2. Furthermore, the Governors direct WGA staff to consult with the Staff Advisory Council regarding its efforts to realize the objectives of this resolution and to keep the Governors apprised of its progress in this regard.

Western Governors enact new policy resolutions and amend existing resolutions on a bi-annual basis. Please consult www.westgov.org/resolutions for the most current copy of a resolution and a list of all current WGA policy resolutions.



SPECIAL REPORT

The Western Governors' Workforce Development Initiative

The Chairman's Initiative of
South Dakota Governor Dennis Daugaard

June 2018



WESTERN
GOVERNORS'
ASSOCIATION

Dear Friends and Colleagues:

The job market has changed dramatically.

In 1973 more than 70% of the job force had no more than a high school degree or less, but by 2016 that number had fallen to just 39%. The evolution is further highlighted by the fact that since the recession, nearly all 11.6 million jobs created nationally have been filled by workers with a college degree, or at least some post-secondary education. In all, just 80,000 of those jobs went to someone with a high school degree or less.

Young people aren't the only ones being left behind. Many adults in the workforce are underemployed and lack the skills or credentials that would allow them to secure a higher-skill, higher-paying job.

The challenge extends to employers. Even though the low unemployment rates we have been experiencing across the West are good news, it means a smaller pool of eligible workers from which businesses may search for the talent they need.

Those job candidates often don't have the skills employers need, creating a "skills gap" that has led to worker shortages for industries such as manufacturing, cybersecurity and healthcare. CEOs surveyed in 2017 verified that these talent gaps were causing problems for business and industry.

As Chair of the Western Governors' Association (WGA), I launched the *Western Governors' Workforce Development Initiative* to bridge the skills gap between workers and employers in the West. The work accomplished during the past year by Western Governors has focused on how to create enhanced career opportunities for students, graduates and displaced workers to help build a more vibrant regional economy.

The work of the Initiative started with four regional workshops hosted by Western Governors. I kicked off the series in Sioux Falls, S.D., with a series of incisive roundtable discussions by experts and a keynote by Secretary of Labor **Alexander Acosta**. The two-day event concluded with a visit to Lake Area Technical Institute, the 2017 winner of the prestigious Aspen Prize for Community College Excellence.

Subsequent workshops were hosted by Colorado Governor **John Hickenlooper**, Oklahoma Governor **Mary Fallin** and Washington Governor **Jay Inslee**. Those events attracted the top minds in workforce development – such as Suzan and Eric LeVine, Chauncy Lennon and Josh Davies – to talk about apprenticeships, public-private partnerships, and how to anticipate changes in the workplace.

The workshops were followed by a series of webinars that delved deeper into issues of special interest that arose during those regional events. The topics included youth apprenticeships, prioritizing college and career readiness, rural workforce challenges, and how to encourage lifelong learning.

To ensure that as many people as possible would benefit from this collected wisdom, the Western Governors' Association livestreamed each workshop and then made them available on their website (www.westgov.org) alongside the webinars and other workforce development resources.

Which brings us to this report. In addition to detailing the many issues that have resulted in the skills gap, the report of the *Western Governors' Workforce Development Initiative* presents a series of findings that offer suggested actions for Governors to take and examples of how various western states are already exercising leadership in addressing these challenges.

It's an insightful collection of ideas that can help shrink the skills gap, but it will require action for them to have meaningful impact. Given the work of the Western Governors so far on this Initiative, and the impressive collaboration I've witnessed during my involvement with WGA, I'm confident that significant progress will be made.

Sincerely,



A handwritten signature in dark ink that reads "Dennis Daugaard". The signature is written in a cursive, flowing style.

Dennis Daugaard
Governor of South Dakota

Dear Friend of the West,

In launching the *Western Governors' Workforce Development Initiative* – the Chair's Initiative of South Dakota **Governor Dennis Daugaard** – WGA has taken on an issue that is sprawling, multi-faceted and critical to the continued growth and prosperity of the Western United States. Igniting a dynamic conversation about the future of work, education and the technology economy, WGA conducted workshops hosted by Governors throughout the West: Governor Daugaard in Sioux Falls; Oklahoma **Governor Mary Fallin** in Oklahoma City; Colorado **Governor John Hickenlooper** in Denver; and Washington **Governor Jay Inslee** in Seattle. WGA is indebted to these leaders for their participation and important contributions to the workforce conversation.

WGA also hosted a webinar series, conducted surveys and deployed other tools to collect and synthesize the region's best thinking about the development of robust workforce ecosystems.

The measure and quality of information that has been generated and exchanged through these mechanisms have been remarkable. We have drilled deeply into any number of discrete workforce development issues, focusing on the skills gap in the West; career pathways; and future workforce scenarios for which we need to prepare now.

To be sure, there would be considerable value in these efforts if all WGA accomplished were information exchange, identification of best practices, and an elevated awareness of the challenges associated with western workforce development. But Western Governors seek to leverage all this work to a much higher purpose. The Initiative will ultimately be a

success only to the extent it prepares and empowers Governors to make positive contributions to workforce development in the West. Given the Governors' recent track record – as well as their collective commitment to education and healthy economies – the prospects for a successful outcome could not be brighter.

This effort would not be possible without the intellectual and financial contributions of the many Initiative sponsors identified in this report. WGA thanks these supporters and looks forward to our continued partnership in effecting meaningful and positive change in workforce development and training systems.

Possibly the most extraordinary aspect of the Initiative to date has been Chairman Daugaard's personal investment in the project. Traveling across the country to participate in Initiative workshops and related events, he has exercised outstanding leadership and maintained laser-like focus. A dedicated student of education and workforce issues, he is committed to better alignment of educational models with industrial opportunity. For years to come, in continuing the work he has initiated, WGA hopes to further cement Chairman Daugaard's legacy as a preeminent state leader in workforce development issues.



Respectfully,

A handwritten signature in black ink that reads "Jim Ogsbury". The signature is fluid and cursive, written over a white background.

Jim Ogsbury
WGA Executive Director



EXECUTIVE SUMMARY

Changes in states' economies and labor markets and the transformative impacts of technology have combined to make workforce development a top priority for Western Governors. While low unemployment rates across the West represent a positive economic development, a smaller pool of available workers results in the inability of businesses to find enough qualified workers. CEOs are raising the alarm that "talent gaps" are causing issues in their business or industry. The largest gap is in "middle skills" jobs – those that require more than a high school diploma but less than a four-year degree.

South Dakota **Governor Dennis Daugaard**, as Chairman of the Western Governors' Association, launched the *Western Governors' Workforce Development Initiative* in July of 2017 in response to these growing challenges. The work of the Chairman's Initiative has leveraged the region's best thinking to help bridge the gap between prospective workers and employers in the West and create enhanced career opportunities for students, graduates and displaced workers.

The Workforce Development Initiative examined these issues in several ways, starting with a slate of workshops hosted by Western Governors **Dennis Daugaard** in South Dakota, **John Hickenlooper** in Colorado, **Mary Fallin** in Oklahoma and **Jay Inslee** in Washington. The workshops gathered policymakers, educators, business leaders, and community organizations to discuss the challenges they face, promising solutions, and how Governors across the West are improving education and workforce development.

WGA conducted a series of webinars designed to delve deeper into issues that arose during the workshops. Webinar topics included: expansion of youth apprenticeship programs; state prioritization of college and career readiness; rural workforce development; and means for strengthening lifelong learning. The webinars and the livestreams of each workshop are available on the WGA website as a resource.

This report presents the findings of the



Governor Dennis Daugaard kicked off the Workforce Development Initiative workshops in Sioux Falls, S.D.

Initiative and recommends suggested steps that Governors might take towards the following goals:

Integrate State Efforts: Governors are uniquely situated to leverage their influence and visibility to highlight workforce development challenges and develop statewide strategies to address those challenges. Governors can exercise powerful leadership in coordinating the work of state agencies involved in education, training, labor and workforce services, as well as among external partners, including educational institutions, businesses and community organizations.

Value All Pathways: Better communication about the value of postsecondary credentials other than four-year degrees, and ensuring that state policy maximizes these educational opportunities, will help Governors erase stigmas associated with career and technical education and boost the numbers of students and adult workers who benefit from these career pathways.

Connect Education to Careers: Students need better information, guidance and opportunities for career exploration to make informed decisions about their postsecondary education and





Colorado Governor John Hickenlooper, left, discussed the challenge of developing a strong workforce at a time of low unemployment. Washington Governor Jay Inslee highlighted the nobility of all work and the critical importance of innovation, while Oklahoma Governor Mary Fallin addressed the challenge of closing the gap between the skills prospective employees now have and the skills employers will need.

career plans. Governors can ensure that educators, students and parents can find the information they need about jobs available in their state, including the average earnings and what education or credential is required. They can also implement policies to increase the career readiness of high school graduates.

Create Pathways to In-Demand Careers: Governors can provide leadership in the development of career pathway programs, especially by helping to leverage the insights of industry leaders and key employers to design coursework and curricula more aligned to workforce opportunity. They can promote work-based learning such as apprenticeships which often lead to an industry-recognized credential and employment.

Upgrade Skills: Many adults in the workforce are underemployed or stuck in low-skill, low-wage jobs. Governors can take steps to make training and education more accessible to working adults to empower their transition to higher skilled, better paying jobs.

Address Rural Challenges: The skills gap is particularly acute in the rural West where major economic shifts and automation have displaced workers in traditional sectors such as agriculture



Workforce Development Initiative workshops, like this one in Oklahoma City, gathered experts from multiple sectors to discuss challenges and solutions.

and manufacturing. There also is a severe shortage of skilled workers in fields such as healthcare, information technology and education. Workforce development efforts are needed to help rural westerners adapt to changing labor market demands. Expanding broadband access in rural communities is a critical foundational step to help align the skills of the

available workforce to the needs of rural communities.

The first year of the *Western Governors' Workforce Development Initiative* has provided considerable insight into the challenges facing the region as well as possible solutions. This year-one report describes that work in greater detail and will help guide ongoing WGA efforts.



BACKGROUND

With low unemployment across the West, it has become difficult for businesses to find all the talent they need to thrive. The huge wave of Baby Boomer retirements exacerbates this problem because there are not enough young workers to replace them. A mismatch between worker skills and employer needs is causing serious labor shortages across the region.

There are especially severe shortages of skilled workers in industries such as construction, manufacturing, cybersecurity and healthcare. In a 2017 survey, over half of responding CEOs report that talent gaps are causing issues in their business or industry.¹ The largest gap is in “middle skills” jobs, which require more than a high school diploma but less than a four-year degree.²

The *Western Governors’ Workforce Development Initiative* has highlighted how Governors are addressing this issue to strengthen their economies and expand opportunities for westerners. Governors are improving their talent pipelines to better prepare students for the workforce and expanding access to education and training to help working adults and displaced workers secure better employment.

States are aligning education to workforce opportunity to help students successfully transition from high school to further education, job training or work. While possession of a high school diploma was once enough to qualify one for a good job, 8 out of 10 jobs today require a postsecondary credential, such as a certificate, professional license or college degree.³ At the same time, students are struggling to succeed in high school and beyond. Only one-third of American high schoolers are actively engaged in, and enthusiastic about, school.⁴ Another three million young adults, 16-24 years of age, are neither working nor attending school.⁵

Most students who do graduate from high school proceed directly to a four-year degree — almost 70% of 2016 high



school graduates.⁶ Of those, however, a staggering 40% will not graduate.⁷ Worse still, only 36% of college graduates say their education prepares them for a job⁸ and over half of recent graduates are unemployed or underemployed. Clearly, more options are needed for postsecondary education that can better prepare graduates for good jobs.

Moreover, many adults in the workforce are underemployed. They may lack the skills or credentials that would enable them to move into higher skill, higher wage jobs. The middle skills gap cannot be filled with young people alone, especially in the many western states with aging populations. Unemployed and underemployed adults need to be able to quickly gain skills for in-demand jobs.

Unemployment remains a challenge in rural areas where the economy has not rebounded from the 2008 recession.⁹ Historically, the primary employers in rural areas have been manufacturing, farming and mining. Technological change has resulted in a shift in labor market demands. Rural manufacturing has declined while technological improvements in mining and farming have depressed their contribution to rural employment. Increasingly, jobs in rural communities are in fields such as

healthcare and education and there are not enough people with the skills to fill them.

Automation and artificial intelligence (AI) promise to affect massive shifts in the kinds of employment that will be in demand in the future. Many jobs requiring repetitive tasks will disappear while new occupations will develop. It is expected that a third of U.S. workers will need to learn new skills or move into a new occupation by 2030 due to the impact of automation and AI.¹⁰

Increasingly, employers identify skills such as critical thinking, creativity and interpersonal communication as keys to success in the 21st century workforce. Most of all, workers will need to be adaptable and keep their skills and training up to date to keep pace with technology.

Western Governors are focused on implementing lasting changes in education and workforce systems to create opportunities for westerners and support growing economies. As each state implements innovative solutions to solve its unique challenges, there is immense opportunity for Western Governors to learn from one another.





FINDINGS

The *Western Governors' Workforce Development Initiative* brought together stakeholders from across the region to share their experiences and ideas about the most pressing issues facing the West, with a focus on how Governors can best leverage their leadership to remove impediments to workforce development in their states.

Sectors represented in workshops and webinars included: education (from K-12 to technical college to higher education); federal, state and local government; state labor, education and economic development agencies; and a variety of employers and industry groups. The findings of the Initiative are organized into priority areas of potential state activity and influence. Each priority area includes suggested actions that Governors might take, and examples of how various western states are already exercising leadership in addressing these challenges.

I. Integrate State Efforts

The most immediate role for Governors may be to coordinate existing workforce development efforts and systems within their states. Workforce development activities fall within the purview of several state agencies and offices including education, training, workforce development, and economic development. If these agencies are not collaborating, they may be duplicating efforts or perpetuating ineffective programs. There are also a variety of external partners — including educational institutions, businesses, and community organizations — that may be working to solve workforce development challenges in disparate ways.

Coordination across public and private sectors benefits all stakeholders in workforce development by creating efficiencies and encouraging collaboration. Governors have the authority and convening power to bring these stakeholders together and integrate disparate efforts into a comprehensive state workforce development system.

Establish Goals

Governors can establish a clear vision to connect talent development to their state's workforce needs and set goals for stakeholder collaboration. Each western state has different challenges

and opportunities, so state-specific visions are essential to the development of appropriate priorities.

Anecdotal evidence often drives conversations about the skills gap so establishing a data-driven baseline of labor supply and demand in the state is an important step in creating an integrated workforce development system. Stakeholders need a shared understanding of the issues in order to work collaboratively on solutions. Additionally, public support for workforce development policies and programs is contingent on successful communication of where skills gaps are occurring and their impact on economic growth.

Various state agencies collect relevant data at the state and local levels, including through departments of education and labor, and offices of economic development. Governors are positioned to drive the coordination of those agencies and ensure that data is accessible to stakeholders in a user-friendly format.

Colorado publishes an annual Talent Pipeline Report, prepared by the Colorado Workforce Development Council (CWDC) in partnership with the state's Departments of Higher Education, Education and Labor, as well as the Department of Labor and Employment, Office of Economic Development and International

Trade. The report explores the likes of the evolving labor market and postsecondary education outcomes and identifies "Top Jobs" in high-demand, high-growth occupations.

The Governor's Office of Workforce Innovation for a New Nevada partnered with the Governor's Office of Economic Development and the Nevada Department of Employment, Training and Rehabilitation to issue the 2017 In-Demand Occupations and Insights Report. The report is a resource to educators, nonprofits, government entities and workforce boards to inform decisions and drive alignment of education and training programs for the state's labor needs. It also helps students and adults make decisions about education and training.

South Dakota publishes a Hot Careers page on the state's website. Careers, and job openings in those careers, are eligible for being listed on the page if they meet criteria based on high-wage, high-demand jobs in South Dakota.

Align State Resources

To develop a statewide vision and implement an integrated workforce development system, it is incumbent upon states to inventory existing programs and resources and consider whether they can be deployed more



WEBINAR: Strategies to Expand Youth Apprenticeship

The Swiss model of apprenticeship and examples of successful work-based learning programs for youth in the U.S. were the focus of this discussion.

Moderator: Brent Parton, Deputy Director, Center on Education and Skills at New America. **Panelists included:** Diane Jones, Senior Policy Advisor to the Secretary, U.S. Department of Labor; Christopher Nesmith, Career and Technical Education Director, West Valley School District – Yakima, Washington; Mark Tapy, Apprenticeship Program Manager, Pinnacol Assurance.

Comments included:

“Most of our apprenticeship programs remain to this day concentrated within a limited range of occupations



and industry sectors. Against that backdrop, we can't meaningfully expand apprenticeship in the United States without trying to connect and integrate it into our formal education systems, and importantly, expand it into new industry sectors.” Brent Parton

“We must address the issue of

stigmatization. If we can't do better at helping people understand the power of apprenticeships and the great jobs available for someone coming through an apprenticeship pathway, almost nothing that business or government can do will deliver the success we want.” Diane Jones

“If we are going to grow apprenticeship models within the United States, we have to set them up in a way that it opens doors and it doesn't close doors.” Christopher Nesmith

“We want to maintain institutional knowledge and have our young students learn from our leaders who may not be here down the road. We felt like youth apprenticeship was the right approach for our business.” Mark Tapy

effectively. State agencies can work to align data systems to allow sharing of information seamlessly between agencies and to increase transparency and effectiveness of programs. Programs should be measured by real outcomes for completing participants. Governors can evaluate and realign levels of state funding and staffing across agencies and influence federal funding streams to support the most effective programs and eliminate those not achieving the desired outcomes.

Governors can also refine organizational structures to elevate workforce development priorities or encourage coordination across agencies.

Montana created a position, jointly funded by the Department of Labor and Industry and the Montana University System, to focus specifically on bridging industry and higher education.

Industry Engagement

Industry leadership is critical to the alignment of talent development systems with workforce needs. Employers must help define the needs in their industry and identify

the competencies and skills the talent development system must produce.

Partnerships may already exist between employers and educational institutions, or between industry groups and workforce development organizations. The challenge is to increase the scale and impact of such partnerships. This challenge can be met by making business participation efficient, cost-effective and rewarding. Governors can take a leadership role by creating a state-level entity through which businesses can interact with the relevant state actors in the workforce development system. This entity can also serve to foster partnerships, integrate them into the system, and scale those that already exist to a statewide level.

The Colorado Workforce Development Council currently supports 22 sector partnerships across the state's 14 regions. The partnerships gather business leaders from the same industry and in a shared labor market region. They work with education, workforce development, economic development and community organizations on workforce and other competitiveness needs in their industry.

Oklahoma established **Key Economic Networks (KENS)** to coordinate workforce development efforts by region. Each of the state's seven KENS are led by a business leader. The network connects companies from high-demand industries with education, workforce development and community organizations to build partnerships and align education with regional workforce needs.

South Dakota established the **SD Wins Program**. Launched by the Governor, it features six regional summits that include leaders from businesses, education, state and local government.

II. Value All Pathways

A key cause of the middle skills gap is the stigma around, or lack of information about, pathways that alter from immediate enrollment in four-year college following high school. These pathways include technical degrees and certificates, associate degrees, registered apprenticeships, and industry-recognized certifications. For many years, the emphasis in education has been on four-year college to the detriment of these alternatives.



Students, parents, teachers and guidance counselors may be unfamiliar with or have biases against careers in the skilled trades, considering them a step below careers that may be achieved with a college degree. As a result, career and technical education (CTE), which traditionally focuses on middle skills careers, has become viewed as a dead-end path, despite the ongoing and projected growth of job openings in these sectors.

Communicate to the Public

Governors have the prominence and stature to help shift public perception about what it takes to succeed in the economy. Through policy initiatives and the full array of communications tools at their disposal, Governors can raise the public profile of CTE and highlight middle skills jobs in their states. Changing the messaging around success will help change the mindset of students and parents.

*The Build Dakota Scholarship Fund is encouraging students to pursue good technical careers in **South Dakota**. The full scholarship is for students who enroll in a technical institute program determined to be a high-need workforce area in South Dakota and agree to work in the state in that field for at least three years after graduation. South Dakota uses funding provided in the program to market the scholarship to students and families. South Dakota's four technical colleges have seen an increase in applications for the programs highlighted by the scholarship as a result.*

Ensure State Policies Value All Pathways

Many states have policies that encourage the public education system to focus on producing college graduates. This has the effect of pulling resources away from other types of pathways. A key leadership role for Governors is identifying systemic barriers to valuing all pathways and, if necessary, realigning state policies, resources and incentives to create a new paradigm for student and school success.

Under the Every Student Succeeds Act



Governor Dugaard took advantage of his time at the workshops to share ideas with attendees.

and state policies, states determine the metrics used to measure school performance and accountability systems and these metrics guide how teachers and school administrators prioritize their time and resources. States have historically used metrics such as test scores and graduation rates, which are indicators of college readiness. Many states are now adding school performance measures that reflect students' successful transition to more types of postsecondary education and training. Accounting for all pathways helps school districts and teachers to encourage students to more purposefully pursue all types of in-demand postsecondary credentials. States can also include jobs outcomes as key metrics for postsecondary education and training programs and provide the public with information on jobs and earnings outcomes by program and institution.

Arizona includes college and career readiness in its school accountability plan and ensures that schools can receive credit for both readiness indicators. Schools are awarded points based on the students that complete a work-based learning experience (i.e. an internship), earn an industry-recognized credential, or score well on ACT WorkKeys assessments.

South Dakota amended its constitution to remove technical colleges from the control of the Board of Regents and created a co-equal board for them. In addition, 12 school districts were awarded a combined \$8.5 million to assist in developing and strengthening career and technical education programs. These funds helped middle schools and high schools partner with other school districts, postsecondary institutions, and industry to create more career pathways.

Help Industry Improve Messaging

A recurring theme of the Initiative is that perceptions of work in the skilled trades have become outdated. Jobs once characterized by repetitive tasks and physically demanding conditions, frequently referred to as “dirty, dark and dangerous,” have been transformed by technology. For example, manufacturing jobs now often require the management of automated machines, which requires troubleshooting skills and technical knowledge. Workplaces have evolved as well, offering perks and benefits to attract a younger workforce. The skilled trades also offer good wages and opportunities for growth.

Industry participants recognized that they have not done a good job marketing themselves to young people



WORKSHOP:

Sioux Falls, South Dakota (Aug. 3-4, 2017)

Keynotes: Dennis Daugaard, Governor of South Dakota; Alexander Acosta, U.S. Secretary of Labor

South Dakota Governor Dennis Daugaard launched the first workshop of the *Western Governors' Workforce Development Initiative* by illuminating the changing job market and encouraging skills training.

Gov. Daugaard highlighted change in the jobs market by noting that in 1973, 72% of the work force had a high school degree or less. By 2016, however, just 39% of the work force had a high school degree or less. And since the recession, nearly all 11.6 million jobs created nationally were filled by workers with a college degree. In all, just 80,000 of those jobs went to someone with a high school degree or less.

“That illustrates why skills training is essential if you are one of those workers without a degree and you want to be of value to an employer,” said Gov. Daugaard.

Labor Secretary Alexander Acosta highlighted positive news about the western economy — the regional average unemployment rate is below 4% — but added there are nearly 6 million



job vacancies nationally (1.25 million in the West) and many of those employers can't find qualified applicants. Secretary Acosta also noted the Administration's respect for Governors as the leaders of their states and recognition that “each state is different, and that what works for a large East Coast state may not work in the West.”

The Sioux Falls workshop also included roundtable discussions by experts on topics such as how to align state resources to identify and meet training

Michael Cartney, President of Lake Area Technical Institute, took part in a roundtable at the South Dakota workshop and then led attendees on a tour at the award-winning institute the next day.

needs, industry leadership in career training, and how to attract and retain talent. The meeting concluded with a field trip to Watertown, S.D., and the Lake Area Technical Institute, which earned the 2017 Aspen Prize for Community College Excellence.

or the parents, classroom educators and school counselors who influence their career path. Governors can encourage employers in their states to invest time and resources in attracting students and jobseekers. States can provide a framework and resources for industry members to come together to develop communications and outreach plans through regional or statewide industry partnerships. States can also provide a platform to connect secondary and postsecondary educators and counselors to business and industry leaders to enhance their understanding of the current labor market and how technology has transformed both the skills in demand and workplaces themselves.

The NoCo Manufacturing Partnership in Colorado connects students to tours of manufacturers and provides presentations, internships and scholarship opportunities.

Lake Area Technical Institute in South Dakota publishes Playbooks for communities and industry on steps to help develop a pipeline for critical needs workforce.

III. Connect Education to Careers

Preparing students to succeed after high school is a key challenge

for western states. Many students struggle to transition from education to the workforce. Initiative participants attribute this largely to the current disconnect between secondary education and careers that makes it difficult for students to choose and plan the pathway that is right for them. Students need to understand their options and have meaningful experiences to help them discern which jobs they can excel at and experience satisfaction.

Participants recognized that career awareness, exploration and guidance all need to be enhanced to help students succeed after high school.



WEBINAR: Moving Toward Career Readiness Goals

States must prioritize college and career readiness. Webinar panelists highlighted how this dual approach better serves students and employers with examples that included an employer utilizing the ACT WorkKeys National Career Readiness Certificate and industry-recognized credentials in the hiring process.

Moderator: Jennifer Zinth, Director of High School and STEM, Education Commission of the States. **Panelists included:** Dawn Burns, Chief Strategy Officer – Career Readiness, New Skills for Youth, Nevada Department of Education; Sarah Heath, State CTE Director, Colorado Career and Technical Education; Nathan Kubicek, Talent Development Director, Crossland

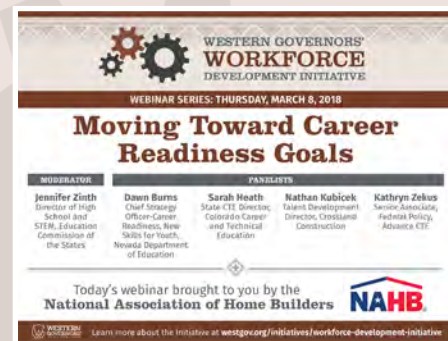
Construction; Kathryn Zekus, Senior Associate, Federal Policy, Advance CTE.

Comments included:

“The key was to get in the schools and help raise the bar on the curriculum and credentialing that our industry finds valuable.” Nathan Kubicek

“In Colorado, we manage and support career and technical education for middle, high school, and post-secondary. We try to connect all three levels and develop programs of study as a continuum.” Sarah Heath

“We like to think about states having a larger career readiness vision and using federal policy as a tool in their toolbox



to advance that vision.” Kathryn Zekus

“We’re trying to shift the mindset. In the past, the message kids got was just get through high school and that’s enough. We’re trying to change that.” Dawn Burns

Provide Accurate, User-Friendly Data

As states work to coordinate education and workforce data, it is important to ensure that this information is accessible in a meaningful way to various audiences. Educators, students and parents need information about which jobs are available in their local community or state, average earnings, projected growth rates, and the required level of education or type of credential. Additionally, they need clear information on which educational and training programs are most effectively preparing people for specific jobs and careers as indicated by outcomes for program graduates.

Governors can assist in solving this problem by ensuring that all state-gathered information is available in one location. Many states have developed tools to help students explore and compare their options.

Oklahoma’s Top 100 Critical Occupation List emphasizes the state’s “desire to meet labor demands so that businesses and entrepreneurs can grow and prosper.”

South Dakota’s “My Life” portal allows students and parents to access tools for planning education and career plans. It also helps develop a personal learning plan and obtain dual credit, as well as details on scholarship opportunities.

Launch My Career is a web tool for students to learn which jobs in their state are in demand and identify majors, degrees or certificate programs that can prepare them for those jobs. The U.S. Chamber of Commerce tool is available in a few states nationwide, including Colorado.

Provide Guidance and Encourage Career Planning

With the wide variety of career and education/training options available, career advising is essential to guide students through their decision-making process. States often do not have the resources to provide dedicated career advisors in all high schools, and high school guidance counselors are often overwhelmed by large school populations and the wide variety of social and academic issues impacting students.

States and school districts are starting to adopt innovative strategies to combat this resource constraint. They also are equipping teachers with the skills and knowledge to provide meaningful career advice to students they already see daily. This is driving a shift toward more systemic, school-wide career development throughout a student’s education.

South Dakota recently launched a pilot program to pool resources in four school districts to provide more career counseling. Using state and federal funding, 11 career counselors were hired for the four districts, with one person serving as the program coordinator.

States can also implement policies that engage students, parents and teachers more fully in career planning. This engagement focuses students on how to use what they are learning in the real world, making education more meaningful. Many states require students to complete some form of career plan before graduating from high school. These requirements can drive meaningful conversations about a student’s future.

Oklahoma developed the Individual Career and Academic



Plan (ICAP) to drive a strategic shift in how schools think about and incorporate career development activities throughout K-12 education to help students and their families become more informed consumers of education and training. The ICAP is designed to be an ongoing, student-driven process that helps students create a vision of their future and prepare a personal plan for achieving their goals through high school and beyond. Oklahoma is working to help school districts implement the ICAP and move toward a systematic, school-wide approach to career development.

Support Career and Technical Education (CTE)

Initiative participants highlighted the value of CTE for increasing career readiness among high school students. CTE provides students opportunities to explore careers and participate in programs of study designed around specific professions.

Governors can work to ensure that CTE programs are supported and aligned to state workforce needs. CTE should be part of the statewide vision for workforce development with resources focused on good jobs, as defined by the state. States receive federal funding under the Carl D. Perkins Career and Technical Education Act to support CTE programs and distribute funds to school districts, community or technical colleges, and other local recipients. Governors can use their leverage over this funding to ensure that CTE programs support the statewide vision. Governors may also reserve up to 10 percent of this funding to support areas of significant need or to catalyze innovative programs.

Nebraska developed reVISION to align career education programs with workforce needs and economic development priorities, strengthen career readiness, and fortify career guidance initiatives for all high school students, among other goals. Through a year-long process, school districts or regions comprised of multiple districts review and analyze



Governors Dugaard and Hickenlooper showcased WGA's signature bipartisanship when they both addressed the Denver workshop.

their CTE offerings to identify gaps and areas for improvement and then develop an action plan. The state's Department of Education guides the process and ensures collaboration with postsecondary education and regional workforce or economic development leaders.

Governors should also ensure that CTE programs provide high-quality career exploration opportunities and prepare students for postsecondary success. States possess a variety of policy levers to drive this goal, such as statewide requirements for high school graduation, school performance measures, and incentive structures for schools and students.

Nevada created a College and Career Ready (CCR) Diploma to incentivize high school students to earn a college-ready or career-ready endorsement on their diploma. The state's Department of Education worked with school districts, industry and other partners to develop the CCR Diploma framework, which allows CTE or work-based learning courses to fulfill a diploma requirement.

Colorado's Career Success Pilot Program provides financial incentives for school districts and

charter schools that encourage high school students to complete industry credential programs, internships, residencies, construction pre-apprenticeship and apprenticeship programs, even Advanced Placement courses. Districts and charter schools are eligible to receive up to \$1,000 for each student completing a qualified program.

South Dakota established the Workforce Education Fund, up to \$1.5 million of which is designated to provide grants for career and technical education programs in secondary schools. The grants enable school districts to make transformative change in career and technical education programs.

IV. Create Pathways to In-Demand Careers

To close the skills gap, states are working with employers to build career pathways that lead high school students directly to in-demand jobs benefitting both students and local businesses. Because developing new career pathways programs requires coordination between the public education system and major employers, Governors are well positioned to drive expansion of such programs.

Although career pathway programs in



WORKSHOP:

Denver, Colorado (Sept. 18-19, 2017)

Keynotes: John Hickenlooper, Governor of Colorado; Dennis Daugaard, Governor of South Dakota; Josh Davies, The Center for Work Ethic Development CEO; and Suzan LeVine, former U.S. Ambassador to Switzerland and Liechtenstein, and Eric LeVine, CEO of CellarTracker

The second workshop of the Chairman's Initiative, hosted by Colorado Governor John Hickenlooper, focused on innovation and effective partnerships with industry. Gov. Hickenlooper's opening remarks highlighted the state's low unemployment rate of 2.3% but added the flip side to that success is a "labor pool so tight, businesses are finding it hard to find the talent that they need."

WGA Chair and South Dakota Gov. Dennis Daugaard also addressed the workshop and noted that employers in his state face a similar challenge finding qualified candidates and need to start thinking differently about preparing people to join the workforce.

"In South Dakota we are working to redefine how to achieve career success. You don't necessarily need to go to four-year college. That's a good path, but other paths can lead to careers with great success. With so many options out there, we need to make sure students understand them all."

Making the business case for youth apprenticeships in the U.S., Suzi and Eric LeVine shared their findings from



European models, saying "a Swiss apprenticeship doesn't define you for life, but it is designed to prepare you for life."

Josh Davies delivered dynamic remarks on how employment has dramatically changed through history, highlighted the impact of automation and the rising role of competency-based education and training, and the importance of partnering with industry.

The lively dual presentation by Suzi and Eric LeVine during the Denver workshop highlighted their findings about European apprenticeship models.

The Denver workshop also included roundtable discussions by experts on topics such as aligning education and training with industry defined competencies, and industry-led workforce development initiatives.

western states vary, they generally require participating students to complete: coursework and curricula that are developed with insights from industry partners; a work experience such as a summer internship; and an evaluation resulting in an industry-recognized credential. These programs include a commitment from employer partners to hire from the pool of students meeting the established criteria.

Facilitate Industry-Education Collaboration

Support from the state is critical to help expand and scale employer-driven

career pathway programs. Governors can assemble employers within an industry, identify their common needs and provide resources to develop career pathways that prepare students to meet those needs. States can also facilitate statewide coordination between schools and industry.

***Talent Ready Utah** provides resources and coordination for businesses to engage with education. The program worked with industry partners to establish career pathways in aerospace, diesel tech, medical innovations*

and information technology. Students complete related coursework at both their high school and a technical college and complete a summer internship to earn a certificate as well as a guaranteed interview with an employer partner.

Create or Support Intermediaries to Scale Work-Based Learning

Work-based learning is a crucial component of successful career pathway programs because it provides students with meaningful career exploration



WEBINAR: Rural Workforce Development Challenges

Expanding meaningful training and education opportunities for high-wage, in-demand careers is a challenge for rural communities. This webinar highlighted the efforts of states and employers to provide high quality career and technical education (CTE) and workforce services for rural job-seekers to access in-demand careers and strengthen the local talent pipeline.

Moderator: Lauren DeNinno, Policy Advisor, Western Governors' Association.

Panelists included: Kristi Boswell, Senior Advisor, U.S. Department of Agriculture; Austin Estes, Senior Policy Associate, Advance CTE; Richard Katt, State Director, Nebraska Career Education; Randy Noel, Chairman of the Board, National Association of Home Builders; Geniphyr Ponce-Pore, Director, CSU Regional Hub Network.

Comments included:

"We want to work with our state and local partners to identify gaps. We want to help facilitate those partnerships and understand where there are missing links, so we can maximize and leverage the resources we have at the federal level." Kristi Boswell

"Four out of five 'low-education' counties are rural, and these counties are much more likely to experience high rates of poverty. Technology allows students to engage with workplace experts in every industry, no matter their zip code." Austin Estes

"Our objective is to say, 'your zip code should not determine the quality or diversity opportunities that you have in education.' We're really doing it through



distance learning networks where schools share instruction between each other." Richard Katt

"We've heard from industry that people need the ability to learn for a lifetime, not just a four-year period. They need to learn over a lifetime and do it in a compressed way that works for people with busy lives." Geniphyr Ponce-Pore

opportunities while helping them develop the skills they need to succeed in any workplace. Initiative participants stressed that these opportunities are essential to prepare students for the workforce and help them determine their career interests.

Some western states have invested in youth apprenticeships, which is one type of work-based learning. Youth apprenticeships can be federally registered apprenticeships, in which case they must adhere to federal requirements. Some states have developed their own models for youth apprenticeship along with state guidelines and frameworks to ensure program quality and safety. In either case, youth apprenticeships differ from internships, part-time jobs, or other work experiences by offering students a multi-year commitment, wages, mentorship, and rigorous related instruction.

Youth apprenticeships typically begin in junior or senior year of high school when participating students begin splitting time between classes and work and continue past high school graduation. Classes can include college courses. At the end of the apprenticeship, apprentices have a nationally recognized industry credential,

work experience and college credits, giving them the option to continue working or pursue postsecondary education. Apprenticeships have historically been common in the skilled trades, but other sectors such as insurance and financial services are now developing youth apprenticeships to ensure their access to talent.

Youth apprenticeships can be intimidating for employers to establish. Employers may be wary of hiring high school students and unsure of applicable federal and state requirements and regulations. Smaller employers, who can often benefit the most, may lack the resources to develop a youth apprenticeship program. States can make this process easier for businesses by supporting intermediaries that work with industry partners to determine industry-wide needs, design the instructional elements of apprenticeship, and coordinate with school administrators. States can create or support industry-specific organizations dedicated to creating and supporting apprenticeships.

Washington is expanding youth apprenticeships through the **Aerospace Joint Apprenticeship Committee (AJAC)**. The state funded the creation of AJAC in 2008 to help the industry prepare for impending retirements and increasing production demand. AJAC has developed registered apprenticeships for high school students to help capture the knowledge of senior workers and create avenues for young people to join the industry.

For youth apprenticeship programs to become more commonplace in the West, states need to take the lead in establishing models or systems that include quality controls and standards at the statewide scale. This will make it easier for more schools, businesses, and students to participate.

CareerWise Colorado was created as a nonprofit intermediary to bring youth apprenticeship to **Colorado** at scale. The public-private partnership seeks to create over 20,000 apprenticeships in high-demand, high-pay occupations across multiple business sectors



WEBINAR: Innovative Policy for Lifelong Learning

Short-term education and training programs for working adults provide skills and credentials that lead to careers in high-paying fields such as advanced manufacturing and health care. This webinar discussed best practices in post-secondary education and highlighted how adult education programs could be strengthened and expanded through pending federal policies and legislation, including reauthorization of the Higher Education Act.

Moderator: Steve Voytek, Federal Government Relations Manager, ACT.

Panelists included: David Baime, Senior Vice President, Government Relations and Policy Analysis, American Association of Community Colleges; Katie Brown, Senior Federal Policy

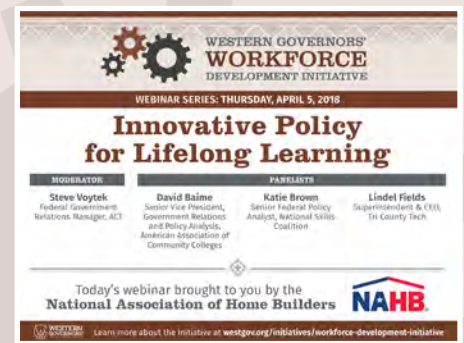
Analyst, National Skills Coalition; Lindel Fields, Superintendent & CEO, Tri County Tech.

Comments included:

"The issue of short-term workforce development is probably the most important item for community colleges in the reauthorization of the Higher Education Act." David Baime

"We tried the old way of having programs five days a week in the evenings, and that just isn't realistic for busy adults. Flex programs open up a whole new world." Lindel Fields

"The largest investment in America's workforce today remains the Higher Education Act: legislation that dwarfs all



other federal investments in this area. As we look towards modernizing this legislation and others, it is important that future policy recognize that there are multiple pathways, including a four-year degree, to success in today's labor market." Steve Voytek

by 2027. CareerWise works with school districts and businesses to create career competencies and ensures that apprentice work and school schedules are optimized. It also recruits students and acts as an intermediary between the education system and industry to align goals and ensure a streamlined experience. Additionally, CareerWise works with the hiring businesses to train supervisors and apprentice-coaches, and with apprentices to prepare them for a professional work environment.

V. Upgrade Skills

Governors and Initiative participants noted that helping underemployed workers in low-skill, low-wage jobs to upgrade their skills is essential to fill the middle skills gap and increase economic stability. Working adults face several barriers to pursuing training or education, including access and affordability.

Encourage a Skills-Based Labor Market

In job postings, businesses often list requirements, such as a bachelor's degree, that are not actually needed to do the job but serve as a rough proxy for other attributes. This practice can

have the unintended consequence of restricting the pool of qualified candidates. Skills-based hiring, which focuses on the exact competencies a job candidate needs, makes it easier for jobseekers to apply their current skills in new careers or identify which skills they need to acquire. It also helps businesses better target qualified candidates for job openings in a tight labor market.

States can facilitate a skill-based labor market by helping both businesses and jobseekers focus on competencies. States can work with employers and industry groups to identify essential competencies in their fields and provide tools or training to individual employers to write skills-based job postings.

In 2016, Colorado became the first state to partner with Skillful to drive a shift toward training, educating and hiring based on skills. The online network of tools and on-the-ground resources connects job seekers to fast growing, high-paying jobs. It also can direct them to the educators who can get them training for new skills that advance their careers. Skillful also helps employers create skills-based job descriptions and hire workers based

on those core skills. The Skillful State Playbook details how state leaders can create a skills-based labor market. Other states in the network include Montana, North Dakota, Oklahoma, South Dakota, Utah, and Washington.

The South Dakota Department of Labor and Regulation revamped its SDWORKS database of jobs to enable decisions to be made with real-time, skill-based supply and demand information.

Through its Governor's Office of Economic Development, South Dakota provides direct workforce development training grants that lets businesses undertake training programs that align workers' skills with the skills and competencies required for the position. Each year, approximately 450 workers receive training through this program.

Expand Registered Apprenticeships

Working adults may not have the time and money necessary to upgrade their skills in pursuit of a better career.

Registered apprenticeships mitigate



WORKSHOP:

Oklahoma City, Oklahoma (Oct. 16-17, 2017)

Keynotes: Mary Fallin, Governor of Oklahoma; Dennis Daugaard, Governor of South Dakota; Chauncy Lennon, Managing Director and Head of Workforce Initiatives, Global Philanthropy at JPMorgan Chase

The Chairman's Initiative workshop hosted by Governor Mary Fallin examined how states can better utilize data to identify critical skills gaps and align resources to provide jobseekers with increased career awareness.

"We think it's important to start talking to our high school students at a younger age about some of the career opportunities that are available to them," Governor Fallin said in opening remarks.

WGA Chair and South Dakota Governor Dennis Daugaard also spoke on the theme, saying: "Every governor is aware of and struggles with the workforce gap, where the skills of those who are searching for work don't align with the skills employers need to fill their vacancies."

Gov. Fallin also discussed the workforce efforts that she has launched as governor, including "Oklahoma Works." That initiative connects businesses, state agencies and educators to discuss what skills employers need and how educational leaders can better align degree programs to better achieve that employee pipeline.



"Every governor is aware of and struggles with the workforce gap," said Governor Daugaard during a press conference with Governor Fallin.

"Many of the workforce programs we have in place today were designed decades ago for an economy that looked very different," said Chauncy Lennon of JP Morgan Chase. "To build new career pathways, we need to work with employers and educators to identify targeted skills and opportunities for

students to learn to work by being in the workplace."

The Oklahoma City workshop also included roundtables on topics such as creating opportunities for students to learn at work, and how states and employers address the skills and credential gaps.

this problem by paying apprentices for the work they do while they are in training. While traditionally utilized in the trades, new programs are giving people the opportunity to start new careers in healthcare, IT and insurance as well. Apprenticeships also help jobseekers enter a new field without prior work experience, thus removing a common stumbling block. For businesses, apprenticeships offer a quicker solution to labor shortages than waiting for education to produce talent.

Many states provide assistance to businesses seeking to establish a registered apprenticeship. Many states also support intermediaries to serve entire industry sectors, reducing transaction costs for participating employers.

*With funding from Washington state, the **Washington Technology Industry Association** set about creating an apprenticeship program to solve the region's shortage of tech workers. **Apprenti** helps people — especially women, veterans and minorities — get started in a tech industry career. **Apprenti** recruits and intensively trains candidates who are then placed in tech company apprenticeships. **Apprenti** is now expanding its model nationwide.*

Increase Access to Postsecondary Credentials for Adults

For working adults who need a postsecondary credential, a certificate

program often makes more sense than a degree program. Postsecondary certificates, most of which take a year or less to complete, are typically offered through community or technical colleges and, depending on the program, can increase wages as much as an associate's or bachelor's degree. Although certificate programs can be efficient tools to help adult workers upgrade their skills, they must be paid for out of pocket. Federal financial aid can only be applied to programs that meet federal credit-hour requirements.

As demand for various postsecondary credentials grows, federal financial aid requirements should be modernized



WORKSHOP:

Seattle, Washington (Nov. 1-2, 2017)

Keynotes: Jay Inslee, Governor of Washington; Ryan Harkins, Director of State Affairs and Public Policy, Microsoft

Governor Jay Inslee hosted the Initiative workshop, which highlighted apprenticeships and opportunities in the healthcare, advanced manufacturing and IT sectors.

Gov. Inslee touted Career Connect Washington, an initiative aimed at helping more students pursue good-paying jobs after high school through career-ready education such as apprenticeships and technical training, during his opening remarks. "To this day, I believe that all work is noble work and we need to welcome people from all paths of the workforce," he said.

One highlight of the workshop was hearing from Trevor Mackey, a high school student and apprentice with Cub Crafters, who spoke about his experience. "The people who work at the company have been there for 10 to 15 years or more, so they're really knowledgeable. A lot of what I've learned has been through side conversations with those people."

Ryan Harkins of Microsoft delivered a keynote about reducing the rural broadband gap through the use of TV



High school student Trevor Mackey illuminated and entertained attendees at the Seattle workshop by relating his apprentice experience.

White Space technology, which provides cost-effective internet access in rural communities.

"Today, 34 million Americans don't have access to broadband. Perhaps 10 years ago not being able to access the internet at home would have been an inconvenience. But today, it has created

a real opportunity gap because much of the world is racing ahead with the opportunities that technology provides," said Harkins.

The Seattle workshop also included roundtables on topics such as career-connected learning and public-private partnerships for job training.

to help underemployed adults pursue nondegree credentials. Congress should expand the Pell Grant Program to include high-quality, short-term training programs that lead to industry-recognized credentials.

States can also help working adults make this crucial investment. As part of the state's vision for workforce development, Governors can help determine which nondegree credentials have the best return on investment and are priorities for employers in their states.

Increase Educational Attainment

While all types of postsecondary credentials are in demand, bachelor's

degrees remain the goal for many working adults. While Western Governors are focused on increasing the level of educational attainment in their states there are 35 million American adults with some college credits but no degree. Individuals who do not complete college are twice as likely to become unemployed as individuals with a bachelor's degree. Median earnings also increase with higher levels of educational attainment.

As a result, many states are encouraging adults to complete their degrees to fill the skills gap and create a more resilient workforce. States can provide support to adults that are interested in returning to college.

*The **Complete Washington Initiative** seeks to reengage in higher education the 300,000 adults in Washington with some college experience but no degree with the goal of improving economic mobility and workforce readiness for this population. The initiative addresses barriers to college re-entry (including cost, geographic limitations, and family or career obligations) by expanding resources available to re-entering students. Complete Washington is partnering with Western Governors University, which offers technology-enabled, competency-based education that is designed for adult learners.*



VI. Rural Challenges

Rural regions of the West have slower rates of economic growth and higher rates of unemployment than metropolitan areas. Fewer rural adults hold associate degrees or higher than their urban counterparts, and that gap in college completion rates continues to grow. Western states are facing severe shortages of workers in rural areas in sectors such as healthcare and education.

Rural communities face a variety of obstacles that make it difficult for states to provide them with adequate education and workforce services. For example, there are fewer employers with whom schools can partner to provide career exploration or work-based learning opportunities. The nearest postsecondary institution may be too far for working adults to pursue postsecondary credentials.

Western states are implementing innovative solutions to these problems. For example, students in **South Dakota**'s rural schools can take dual-credit classes online. **Nebraska** developed virtual career tours that highlight the state's key industries. Many states are deploying technology and online tools to connect rural areas to resources in urban areas.

Expand Rural Broadband Access

One of the biggest obstacles to rural workforce development is the lack of broadband access. More than 20 percent of schools in rural areas lack high-



Naria Santa Lucia, the Executive Director of Washington State Opportunity Scholarship, moderated the Seattle roundtable, “A Model for Public-Private Partnership.”

speed internet, resulting in lost online learning opportunities and inadequate development of the digital skills needed in today's workforce.

Expansion of broadband access is critical to providing rural western communities with the training and education opportunities required to develop a robust workforce. The disparity between rural and urban broadband access is mainly due to the high cost of building

infrastructure and laying miles of fiber optic cable to rural communities. New TV White Space technology, which uses spectrum in the television band to provide wireless internet access, could potentially serve some rural western communities for a much lower cost. Pilot projects of the technology are underway in several western states and Western Governors support the use of innovative technologies that have the potential to connect rural communities at affordable costs.

Explore New Models for Rural Employment

Connecting more rural communities to high-speed internet presents new opportunities, because technology enables more jobs to be performed remotely wherever talent is available. Some companies are locating these jobs outside of cities to take advantage of the lower cost of living. While participants in the Initiative noted this shift and cited examples in the tech industry, more concrete information is needed to understand the type and quantity of jobs that are moving to rural areas.

Governors, through their offices of economic development, can explore the viability of attracting jobs with flexible location requirements to rural communities. Governors can also engage with employers to understand what skills and competencies lend themselves to remote work and build these into the state vision for rural workforce development.

ENDNOTES

¹A database of accountability measures by state is available from Achieve, Inc. at <https://states.achieve.org/essa-tracker>

²National Skills Coalition, Putting Pell Grants to Work for Working Students, March 2018.

³<https://census.gov/data/tables/2017/demo/education-attainment/cps-detailed-tables.html>

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⁶Urban Institute. <https://www.urban.org/urban-wire/three-million-americans-are-disconnected-higher-education>

⁷U.S. Department of Agriculture, Interagency Task Force on Rural Economic Prosperity Report, January 2018.

⁸Arizona, Montana, North Dakota, South Dakota, and Washington have TV white spaces pilot projects.

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¹⁰McKinsey Global Institute, Jobs Lost, Jobs Gained: Workforce Transitions in a Time of Automation, December 2017.



The Western Governors' Association would like to thank the following for their support of the Workforce Development Initiative

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Find the Initiative online resources and join the conversation at westgov.org

The central objective of the *Western Governors' Workforce Development Initiative* is to leverage the region's best thinking to bridge the gap between prospective workers and employers in the West and create enhanced career opportunities for students, graduates and displaced workers to help build a more vibrant regional economy. To ensure the conversation reaches the widest possible audience, WGA launched an online resource that includes videos of all Workshops, our Webinar series and a variety of other resources. We've also created the Initiative Appendix, a document that delivers expanded detail on the conversations at each workshop and webinar.



WORKSHOPS

More than 300 attendees took part in the four regional Initiative workshops. The workshops were livestreamed on the web via Google and Facebook, and subsequently posted to YouTube. Workshops were hosted by Gov. Dennis Daugaard in South Dakota, Gov. John Hickenlooper in Colorado, Gov. Mary Fallin in Oklahoma and Gov. Jay Inslee in Washington.

WESTERN GOVERNORS' WORKFORCE DEVELOPMENT INITIATIVE
Webinar Series

Strategies to Expand Youth Apprenticeship

THURSDAY, FEB. 15, 2018

MODERATOR
Brent Parton
Deputy Director, Center on Education and Skills, New America

PANELISTS
Diane Jones
Senior Policy Advisor to the Secretary, U.S. Department of Labor

Christopher Nesmith
Career and Technical Education Director, West Valley School District, Yakima, Wash.

Mark Tapy
Apprenticeship Program Manager, Pinnacol Assurance

Learn more about the Initiative at westgov.org/initiatives/workforce-development-initiative

WEBINARS

The Initiative webinar series featured leading thinkers on topics such as "Strategies to Expand You Apprenticeship," "Moving Towards Career Readiness Goals," "Rural Workforce Development Challenges," and "Innovative Policy for Lifelong Learning."





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