



Policy Resolution 2022-03

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 equity, and ensuring that businesses have access to the skilled employees they need to thrive.
2. The COVID-19 pandemic has had widespread effects on the labor market in the United States, including periods of record-high unemployment and higher than average churn in and out of the workforce and across occupations. The pandemic also accelerated trends in the nature of work, such as increasing automation and growth of remote work, and laid bare existing inequities in the workforce. The pandemic had a disparate effect on low-wage workers in essential jobs, with job loss concentrated in industries with large low-wage workforces, such as retail, hospitality and tourism. Remote work has fueled increased migration to fast-growing states in the West. Demand for reskilling opportunities has also increased.
3. The United States had over 10 million unfilled jobs in July 2021, a record high.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.
4. 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.
5. 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.
6. Postsecondary education and training is critical in today's economy. Higher levels of educational attainment correlate to higher median earnings and lower unemployment rates.
7. Many Americans start a college degree but do not complete it, leaving them with the burdensome costs of higher education but no wage benefit – 33 million people over 25 have some college credits but no degree.²
8. 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.

¹ Bureau of Labor Statistics, Job Openings and Labor Turnover Summary, July 2021.

² U.S. Census Bureau, Educational Attainment in the United States: 2020, April 21, 2021.

9. 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.
10. Many western states are taking on an influx of refugees from Afghanistan and will need to accommodate their needs in traditional refugee and workforce development programs. Online training modalities, with access to broadband and support for online learning, as well as partnerships with other systems, such as local libraries, can stretch the capacity of traditional refugee and workforce development programs. New Afghan arrivals can bring transferable skills and experience into local economies experiencing labor shortages.
11. 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.
12. 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. Apprenticeship programs in European countries are more widespread and established. These programs offer a useful model for increasing and diversifying the occupations for which apprenticeships are available.
13. 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, as partners in workforce planning, program design and work-based learning, will remain critical.

B. GOVERNORS' POLICY STATEMENT

1. Western Governors recognize that there are many pathways that students can take to a successful career, including short-term education and skills training or work-based learning programs such as registered apprenticeships.
2. Education and workforce development policies should facilitate lifelong learning. Western Governors encourage Congress to expand student access to skills training programs, including through extending Pell Grant program eligibility to high-quality, short-term training programs leading to industry-recognized credentials, to increase access and completion for adult learners. These flexible workforce 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, including by providing states technical assistance to strengthen partnerships between workforce and apprenticeship entities.

Western Governors recommend that new federal investments be provided through line-item formula funding and aligned with existing efforts to foster a coherent system that expands work-based learning and registered apprenticeship 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; provide credit for prior learning; 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 (WIOA) supports economic growth and job creation in the states. Congress should grant states more flexibility under the current WIOA funding streams to better anticipate coming labor market disruptions and help workers who are not traditionally eligible for assistance or at-risk incumbent workers prepare for displacement. That flexibility should include allowing Governors to fund outreach and marketing of services in an effort to reach more people, especially in states with a large rural population. 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 call for enhanced federal investments and more state flexibility to transform the career services and skills development system. Short term and competitive funding for innovative programs is inefficient and creates unintended obstacles for small states with limited grant-writing resources.
7. Western Governors call for enhanced federal investments and an expanded WIOA funding stream for youth, targeted toward youth who are disconnected from school and work, as well as a carve-out of Carl Perkins funding directed to the workforce system to support stronger linkages to K-12 and higher education. Western Governors also call for the establishment of a Youth Employment Taskforce to make further recommendations on effective workforce strategies to address the crisis in youth employment.
8. Western Governors also call for matching incentives to encourage states to fund workforce efforts outside of WIOA, Wagner-Peyser, and other current mechanisms. State funds matched by federal funds would allow for the creative solutions and conditional flexibility states need to pivot with changing economic forces in real time and through situation specific needs assessment and program adaptation.

9. Western Governors encourage 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.
10. Greater alignment of policies, performance metrics, regulations and reporting requirements across federal workforce, human services, housing and education agencies would support better outcomes for program participants, with focus on outreach and support services and attention to community-based organizations and employer partnerships.
11. 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 facilitate reporting on earnings, employment, and credential attainment metrics by education provider and individual program in a manner that protects student privacy and ensures data security.
12. 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, including apprenticeship and other earn and learn strategies.
13. 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 and digital skills. Western Governors encourage federal agencies and Congress to continue to deploy resources to solve this urgent need including funding for digital skills pilots and online training.
14. 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 and to establish reciprocity across states.
15. Automation could potentially help alleviate some of the workforce shortages affecting businesses in the West. Western Governors support efforts to help businesses and workers take advantage of these new technologies while also investing in skills training so that workers are not left behind.
16. Western Governors call on the federal government to work with states in revising temporary work visa programs to meet state needs. J1 visas were curtailed during the COVID-19 pandemic, exacerbating worker shortages in certain occupations. Additionally, some highly-skilled occupations in high demand in the West require post-secondary credentials other than college degrees. Western Governors are interested in exploring foreign worker visa programs that allows consideration of alternative credentials.
17. Workplaces welcoming of the talents of all people, including people with disabilities, are critical to build an inclusive and strong economy. Workforce development programs and policies should be inclusive of people with disabilities. Congress and the U.S. Department of Labor should provide additional training and funding for states to conduct outreach and

education on equal opportunity and nondiscrimination and to link workforce programs with K-12 special education services.

18. Investments in state data infrastructure are needed to respond to better support state education and workforce development, including responding to changing labor market demand, improving the effectiveness of policies and programs, and improving the delivery of services. Congress should:
 - a. Provide adequate funding to support state Labor Market Information (LMI) shops and the U.S. Bureau of Labor Statistics, a critical statistical agency, for production of labor market data under the federal-state cooperative statistics programs.
 - b. Ensure states a greater share of funds under the federal-state cooperative arrangement so they can fulfill their responsibilities to produce high quality survey data and statistics without diverting funds from other priority data products and projects.
 - c. Support significantly greater ongoing funding through the Workforce Information Grants to States to enhance state capacity for evidence-based decision making and the production of locally relevant labor market intelligence.
 - d. Invest long-term in multi-state data collaboratives and in more voluntary state participation in collaboratives to enable a truly national data infrastructure to emerge.

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.

This resolution will expire in December 2024. Western Governors enact new policy resolutions and amend existing resolutions on a semiannual basis. Please consult <http://www.westgov.org/resolutions> for the most current copy of a resolution and a list of all current WGA policy resolutions.