

PATHWAYS TO COMPETITIVENESS

Some Guidelines for Successful Workforce Investment in Wisconsin

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An emerging consensus in the state puts workers, their skills, and industry need for skills at the very center of our competitiveness agenda. Connecting the unemployed to work, and connecting the underemployed to the skills they need to support their families is critical to a prosperous, thriving, 21st-century economy—and one of the great and frustrating challenges of this decade. The biennial budget process offers glimmers of hope, and movement towards a shared solution. This brief highlights the best of proposed investments in Wisconsin workers, and offers some suggestions on how such outlays might be maximized to promote industry and family advancement—namely, by building on the state’s nationally acclaimed efforts to forge a more functional labor market through pathways and partnerships.

1. THE NEED: SKILLS AND PROSPERITY

COWS has been building and writing about sector strategies, industry partnerships, and career pathways for more than fifteen years. We were delighted to see the issue of skills raised again over the past year, and carried to a new and broader audience, by both Competitive Wisconsin and former Council on Workforce Investment Chair Tim Sullivan.¹ Because however you analyze skill and labor and wage gaps, it is clear that the current system for aligning and advancing the interests of working adults and high-road employers is insufficient—in this state, as across the country. Getting skills right matters.

A coherent, well-funded skill delivery system could make employers more competitive, workers more productive, and communities more prosperous.

While much useful and appropriate policy aims at K-12 or university-level reform, our focus is and has been on adults and technical education. The workforce we have today is for the most part the same workforce we will have in the coming decade (67% of the projected 2020 workforce was already working in 2005).² And we have already identified that more than 700,000 Wisconsin workers need further education and training to get into decent jobs.³ Updating and improving the skills of the current workforce—incumbent and unemployed—should be a top priority, not only for the sake of those workers, but critically for the competitive position of the state.

Fortunately, the Governor’s proposed 2013-2015 budget and related legislation begin to steer funding in that direction, and Wisconsin has excellent, road-tested models on which to build. Making the most of these new resources requires careful consideration of the principles and practices of success that are already clear.

We hope to contribute to the development of the best possible approach to training investments by reviewing what has been done, and what principles should be put in place to ensure maximum return from the investments.

About COWS

COWS is a nonprofit think-and-do tank, based at the University of Wisconsin–Madison, that promotes “high road” solutions to social problems. These treat shared growth and opportunity, environmental sustainability, and resilient democratic institutions as necessary and achievable complements in human development. COWS is nonpartisan but values-based. We seek a world of equal opportunity and security for all.

This brief offers some thoughts on education and workforce policy in Wisconsin—namely, how the biennial budget proposal and “Fast Forward” legislation could advance business and family prosperity in the state.

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¹ See http://www.competitivewi.com/wp-content/uploads/2012/10/BeBold2_Study_October2012.pdf and <http://doa.wi.gov/secy/documents/sullivanreport.pdf>

² Skills To Compete data in http://www.cows.org/_data/documents/1132.pdf (5).

³ COWS data in http://www.cows.org/_data/documents/1075.pdf

2. TOWARDS A RESPONSE: GPR FUNDING

Three areas of new, increased or reinstated funding in the Administration's proposed budget bode well for Wisconsin:

- Department of Workforce Development (DWD) – The return to GPR funding of Wisconsin's apprenticeship program, starting at \$1.8M in the second year of biennium, as temporary Fed funding for this program expires.⁴
- Department of Health Services (DHS) – The appropriation of \$16.8M GPR to the FoodShare Employment and Training Program, which will draw nearly \$20M in Federal match.⁵
- Wisconsin Technical College System (WTCS) – The \$5M increase in base funding of state general aid in 2014–15. While this does not offset prior cuts, it is a step in the right direction. And while we would have liked to see full funding of the WTCS \$20M Adult Career Pathways request, we hope that the \$22M consolidation of current GPR grants to technical college district boards will give the system the flexibility necessary to expand existing pathways. This could be substantially leveraged by the Fast Forward training grants described below.

In addition, the new legislation⁶ known as Wisconsin Fast Forward directs \$20M to labor force improvements via a new Office of Skills Development at DWD:

- \$15M (7.5M annually) in a continuing appropriation for workforce training grants; along with
- \$5M (across two biennia; 2012–2015) for related administration, including a) the development of an improved labor market information system and b) the support of four new GPR/FTE positions.

These investments are welcome news in the context of the continued and precipitous federal disinvestment in workforce funding over the past decade – now exacerbated by an anticipated \$10M sequestration cut to Wisconsin workforce development programs.⁷

Perhaps the most promising of the new or renewed monies is the \$15M GPR dedicated to workforce training grants. But the

impact and success of this investment depends entirely on its strategic implementation.

In the following pages we recommend two strategies for effective long-term impact on economic competitiveness and shared prosperity in Wisconsin. Our argument is first and foremost that these are strategies that work – locally and nationally.

FIRST, for Fast Forward and other workforce investments, we encourage the Administration to invest in proven success. Wisconsin is a national leader in partnering with industry to develop career pathways and bridges onto them. We encourage Wisconsin's workforce system leadership to invest its taxpayer dollars in programs that work – those based on demonstrably successful strategies to build high-functioning pipelines between employers in high-demand industries and up-skilling workers. This means using all available appropriations to maintain and expand the successful bridges, pathways, and partnerships developed over the past decade. In the following section we offer some examples by way of illustration.

SECOND, we urge DWD and partner agencies to use these new resources to continue to align and strengthen the partners that are critical to success. Investments in skills and training won't work unless all systems work together; grants should be structured to ensure cross-agency collaboration. This means including WTCS and WEDC as full partners working cooperatively and strategically in the dissemination of training grants. It also means establishing a clear set of criteria for the evaluation of proposals, designed to move recipients toward commonly defined and measured outcomes for workers and businesses. This is to ensure that monies are not distributed in support of individual firms, but as specific and coordinated investments in Wisconsin's key regional industries, to the benefit of Wisconsin's working families. To that end, we offer a list of principles that might guide such investment.

⁴ On the value and role of apprenticeship in WI, see our 2010 paper on job training infrastructure in Wisconsin: http://www.cows.org/_data/documents/1127.pdf

⁵ Note that we are not weighing in on the state's work requirement, only on the value of increased investment in a proven pathway program. For details on the program, known nationally as Supplemental Nutrition Assistance Program or SNAP, see this National Skills Coalition brief: http://www.nationalskillscoalition.org/assets/reports-/snapet_users_guide.pdf

⁶ Wisconsin Act 9, published March 27, 2013. See <https://docs.legis.wisconsin.gov/2013/related/acts/9>

⁷ National Skills Coalition calculations, September 2012.

3. BUILD ON WHAT WORKS: PATHWAYS AND BRIDGES

21st century labor markets demand coordinated intermediaries—like workforce development boards, state workforce agencies, community and employee organizations, and technical colleges—to effectively connect workers and firms in a competitive, skill-driven economy. Career pathways have come to define the best practices on the supply side, when linked to industry partnerships that define demand, advancing regional economies and identifying emerging skill needs. In workforce as in economic development, what works is a systems approach. And this requires a shared vision that can align policy, funding, and leadership. Current budget proposals can help sustain such an approach.

As Wisconsin's labor force ages and diversifies, Wisconsin needs to build the skills and productivity of the existing adult workforce in order to ensure a strong economy in the future. This means paying particular attention to the unique training needs of adult workers, and emphasizing the "Career Pathway" model of skills acquisition and credentialing. A Career Pathway is a way of organizing college-level occupational training as a sequence of certificates that leads adult learners in attainable steps toward better jobs and a degree or technical diploma. Each step improves the learner's career and earning opportunities and provides a skill set wanted by an industry or industry sector.

Career pathways come in many varieties, but according to the most recent research the successful ones include:

- A well-articulated sequence of education and training offerings;
- Multiple entry points that accommodate participants entering at differing skill levels (including adults with very low basic skills);
- Multiple exit points at successively higher levels of education and employment that are aligned with marketable, stackable, "creditable" credentials;
- Supportive services and navigation assistance for participants in the pathways; and
- The use and promotion of data and continuous improvement strategies.⁸

These are strategies, fortunately, in which the state is already deeply engaged. To ensure expansion and success, state resources should be aligned to support these efforts.

TECHNICAL COLLEGE CAREER PATHWAYS AND BRIDGES

Wisconsin technical colleges have developed a tremendous variety of Adult Career Pathways. There are roughly thirty established in each of the following sectors: Business, Management, and Administration; Information Technology; Manufacturing; and Health. There are also dozens of pathways in a multitude of other areas, from marketing, finance and law to transportation, engineering, architecture and education. These pathways include postsecondary programs that consist of "stacked" credentials leading to a technical diploma or Associate of Applied Science Degree. They are offered depending on local industry need, student interest and availability of resources. Some but not all have "career pathway bridges" that combine pre-college and college programming to help create success for adult students.

Adult career pathway bridges are innovative team-taught "on-ramps" into occupational programs, allowing Wisconsin workers without college-level math and reading skills to advance quickly in a pathway to employer-recognized credentials. This integrated approach prepares lower-skilled adults not only for immediate employment, but also for subsequent occupational training that leads to higher levels of skill and employment.

In a similar model, for example, Madison College developed a Science/Math Bridge into the college's science-based postsecondary programs, and the tech and lab jobs in demand. The Science/Math Bridge paired together General Chemistry with a developmental mathematics course and a technical reading course specifically designed to support learning of Chemistry content. All three courses were taught in a single semester, in many cases reducing students' remediation time by more than a year. The Chemistry, Reading, and Math instructors met before and throughout the semester, to check in regarding student progress and course alignment.

The pilot holds much promise. In addition to dramatic increases and math and reading competence, 41 out of the 46 students who completed the bridge passed Chemistry—though none had scored high enough on their math assessment tests to even enroll in General Chemistry.

⁸ See <http://www.clasp.org/admin/site/publications/files/CLASP-The-AQCP-Approach-Feb-2013.pdf>

Although this is a relatively new approach, in just the past few years at least 1,400 students have enrolled in these accelerated programs, with colleges demonstrating strong employment outcomes, stronger than usual postsecondary continuation rates, accelerated skills gains, and high credential completion rates in key employer need areas.

This is an approach that must be brought to scale if the state wants to cultivate the skilled workforce – necessarily including the 700,000 low-income adults described at the outset – required for Wisconsin industries to remain competitive.

FOODSHARE EMPLOYMENT AND TRAINING PROGRAM (FSET)

Career pathways principles and experience are also relevant to the proposed expansion of GPR investment in FSET, which would draw flexible federal training dollars into the state. This infusion of investment into local skill training can improve the competitiveness of businesses across the state, and help FoodShare recipients gain the skills necessary to escape unemployment and poverty-wage jobs. As demonstrated by Wisconsin's innovative programs incorporating career pathways into FSET, program features that contribute to success include:

- Enhanced case management services co-located with the training provider to coordinate support and improve training outcomes.
- Various tracks designed to remediate educational skill gaps precluding employment or post-secondary education.
- Specialized adult basic education (ABE) programs, combining GED attainment, and occupational and work readiness skills.
- Pre-college preparation programs with career assessment and computer literacy.
- Post-secondary certification programs providing articulable credits and industry-recognized certification.

For example, a consortium of Portage, Adams and Wood (PAW) counties developed the Pathways Project in conjunction with Mid-State Technical College to prepare FoodShare recipients for jobs in health care, manufacturing and information technology. The program has served 169 participants; with 105 completing one or more programs, and the majority earning nationally recognized certificates. In the midst of a grim statewide jobs picture, the program succeeded in placing 63 into jobs and advancing 5 students into higher wage work and/or greater hours. The co-location of a Wood County Human Services caseworker at Mid-State is credited with improving both recruitment and matriculation outcomes of students facing numerous barriers to success.

4. PRINCIPLES FOR NEW WORKFORCE INVESTMENT

Allocating the \$15M Worker Training Grants through a competitive grant process has the potential to promote innovation and maximize efficiencies in workforce program development. Alternatively, a poorly structured grant scheme risks taxpayer dollars on training that may be disconnected from the skill needs of employers, and delivered by providers lacking demonstrated success with adult learners. An effective competitive grant process would be based on the following principles, articulated as measurable criteria for applicants:

1. Target high-demand occupations in key industry sectors, with wages at or above poverty level or with a clearly defined pathway to a job meeting this standard.
2. Develop training programs in partnership with multiple-firms within an industry.
3. Demonstrate evidence of employer commitment: For new workers, paid internships or other work experience with significant employer contribution to trainee wages; for incumbent workers, significant employer contribution to training costs (e.g., paid time and 50% funding match).
4. Provide clarity on training target—incumbent or disadvantaged/unemployed/entry level workers—and appropriate strategy for each.
5. Build partnerships with technical colleges, other accredited training providers, workforce development boards, and key regional stakeholders.
6. Demonstrate process and capacity for documenting employment projections, verifying anticipated skill needs, and establishing program relevance in partnership with multiple employers in an industry.
7. Identify clear connections between the proposed training program and a documented career pathway meeting established pathway and bridge standards, and leading to industry-recognized credentials.⁹
8. Prioritize training: Favor turnkey projects by disallowing capital purchases and curriculum development.
9. Demonstrate capacity to measure and report data related to worker and employer outcomes as defined by the Department of Workforce Development.

⁹ See http://risepartnership.org/Media/Default/pdf/rise_career_pathways_definitions_2011-03-16.pdf