

Higher Education and the Workforce: Issues for Reauthorization of the Higher Education Act

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Washington State Workforce Training and Education Coordinating Board

Executive Director

Testimony

Testimony Before the:

Health, Education, Labor, and Pensions Committee

United States Senate

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Mr. Chairman and Members of the Committee:

On behalf of the state of Washington, I would like to thank you for inviting me to discuss the connections among higher education, workforce development and economic vitality. I serve as the Executive Director of the Workforce Training and Education Coordinating Board, Washington State's Workforce Investment Board and its State Board for Vocational Education. The Board is responsible for analyzing the state's workforce needs, and developing strategies to meet them, including creating a workforce development system that benefits workers, students, and employers as well as our economy as a whole.

I am especially pleased to appear before the Health, Education, Labor, and Pensions Committee

since this offers me an opportunity to extend our appreciation to you for the fine work you did on S. 1627, reauthorization of the Workforce Investment Act (WIA). The Workforce Investment Act has provided a critical framework for Washington State's workforce development system. Indeed, you will hear in my testimony of important ways that state and local leaders have used WIA to create a more demand-driven, responsive, and comprehensive system of services and investments. The improvements you made in the current law are exactly that, improvements, and we look forward to putting them into

action.

At some point soon, you will also be taking up reauthorization of the Carl D. Perkins Vocational and Technical Education Act. There is no way to overemphasize the importance of career and technical skills education to our nation's future. Making sure that the federal investment drives excellence in career and technical education is our overarching goal for the reauthorization discussion, and we'll be prepared to discuss Washington State's perspectives when the time is right.

For clarity in today's discussion, I should note that the phrase "workforce development" throughout my presentation includes all education and training aimed at employment or employability. The state's workforce development system therefore, encompasses institutions and organizations that: (1) deliver education and/or training; (2) provide support services to help people enter and advance in the labor market and succeed in school; and (3) provide funding for education or training. (See Appendix A for a list of programs included.)

The Context: Washington State

In 1991, Governor Booth Gardner and the Washington State Legislature formed the Workforce Training and Education Coordinating Board (Workforce Board). The Board's membership enables it to develop policy and program innovations that respond to the needs of customers. Three of our members represent business' interests, three represent labor's, and three are the heads of the state agencies with major responsibility for workforce development programs – our Employment Security Commissioner, the Executive Director of the State Board for Community and Technical Colleges, and the elected Superintendent of Public Instruction. Current representation from business includes Don Brunell, President of the Association of Washington Business and current representation from labor includes Rick Bender, President of the Washington State Labor Council, AFL-CIO. This membership brings the interests of customers and providers to the table as decisions are made, and is echoed throughout the state in other venues.

Every two years the Workforce Board develops High Skills, High Wages: Washington's Comprehensive Plan for Workforce Development. This plan communicates our shared vision:

A workforce development system that offers every Washingtonian access to high quality academic and occupational skills education throughout his or her lifetime, effective help to find work or training when unemployed, and the personalized assistance to make progress in the labor market.

The Workforce Board ensures that workforce and economic development linkages are a major focus of High Skills, High Wages. To frame our plan, we begin with analyses of our economy and our labor force. We rely on a number of data resources for our data – among them our state's excellent Labor Market and Economic Analysis branch (the Bureau of Labor Statistics' local partner), and the Census Bureau. We also conduct our

own scientific survey of employer needs and practices which, with the assistance of the Association of Washington Business, is sent out to nearly 12,000 employers in the state making it the most comprehensive in the state.

In 1999, Governor Gary Locke issued Executive Order 99-02 to implement the Workforce Investment Act. In it, he charged the workforce development system with the following goals:

- To close the gap between the need of employers for skilled workers and the supply of Washington residents prepared to meet the need.
- To enable workers to make smooth transitions so that they and their employers may fully benefit from the new, changing economy by putting in place a coherent strategy for dislocated and incumbent worker training.
- To assist disadvantaged youth, persons with disabilities, new labor market entrants, recent immigrants, and other low-wage workers to move up the job ladder during their lifetimes by developing a wage progression strategy for low-income workers. Specific progress will be made in improving operating agencies and reducing the earnings gap facing people of color, people with disabilities, and women.

In 2000, as we developed our plan, we added a fourth goal:

- To integrate workforce development programs to improve customer service.

To accomplish these goals, High Skills, High Wages includes an Action Agenda, which give each of the state level partners lead responsibility for specific strategies to ensure both progress and accountability.

At the local level, Washington State has 12 local area Workforce Development Councils (WDCs) that serve as the local Workforce Investment Boards. Each Council, in consultation with chief local elected officials, oversees WIA Title I-B activities, including One Stop Centers, coordinates local area workforce development services, and provides outreach to employers. Governor Gary Locke has required all WDCs to include two at least postsecondary and two secondary education representatives to tighten the connections between education and WIA functions. The Councils use their leadership to ensure a link with local economic development strategies. Each Council has a Governor-approved local Unified Plan that includes an assessment of local employment opportunities and skill needs, and sets forth goals, objectives, and strategies for the local workforce development system consistent with High Skills, High Wages. The strategic role of local Workforce Development Councils makes them the counterpart to the state Workforce Board at the local level, building on what is required by WIA. Given this new responsibility, we have formed an entirely new state-to-local and local-to-state set of relationships.

The employer community recognizes the critical importance of providing postsecondary training. Governor Locke's Competitiveness Council, consisting of some of the top business leaders in our state, recently concluded that human capital is the key to

economic competitiveness. The Workforce Board's own 2003 survey of employers, conducted with the assistance of the Washington Association of Business, shows that employers are having difficulty finding qualified workers with postsecondary education and training even during slow economic times. Forty-five percent of employers who attempted to hire someone in the previous 12 months reported difficulty finding qualified job applicants. While there were shortages at all postsecondary levels, the largest number of employers reported difficulty finding job applicants with a vocational certificate or associate degree. The type of skills that employers had the greatest trouble finding were job specific skills; for example, they wanted to hire a registered nurse or a carpenter and could not find one. After job specific skills, employers had the most difficulty finding job applicants with good general workplace skills, such as work ethic, problem solving, teamwork, and communication skills.

Within this context, how do higher education, workforce development and economic development connect – especially, what are the specific innovations in Washington that are linking the two?

Targeting our Resources to Economic Clusters

“...geographic concentration of interconnected companies, specialized suppliers, service providers, firms in related industries, and associated institutions (for example, universities, standards agencies, and trade associations) in particular fields that compete but also cooperate.” (Michael Porter, *On Competition*, Harvard Business School Press, 1998)

In order to promote economic vitality across our diverse state, Washington has adopted a cluster strategy. By targeting workforce development resources to key sectors of local economies, the public sector can make a positive, measurable difference, as opposed to spreading scarce resources so thinly that their effect is virtually unnoticeable.

High concentrations of related companies and suppliers within a geographic region suggest a cluster. Examples in Washington State include: agriculture and food processing, aerospace, marine services, and information technology. The central and southeastern areas of Washington have an obvious cluster in agriculture and food processing, for an unusually large number of employers and jobs in agriculture and food processing are located there compared to the number of such employers and jobs in other areas of the nation, and there is a large network of related firms and institutions. These resources create an advantage in competing in the agriculture and food processing market compared to other geographic areas. If supported, a cluster of firms increases the likelihood of further growth in that industry, including the spin-off new businesses. To the extent that the educational ‘suppliers’ have innovative, current, and flexible programs, the industry will be strengthened as it competes around the world. This is higher education's critical role in creating and sustaining economic vitality and job growth.

Coordinating Our Investments

In order to strategically target state workforce development resources to key sectors of our economy, the State Board for Community and Technical Colleges (SBCTC), the Workforce Board, and the Employment Security Department (ESD), began coordinating their investments in 2002 to meet the workforce needs of key industries.

The agencies coordinated four Requests for Proposals (RFP) which reflect four stages of demand-driven workforce development. The first stage is to create an Industry Skill Panel, including business leaders in a key economic sector so that they will identify critical skill needs and identify solutions. (See the following section on Industry Skill Panels.) The second stage is to use the Panel to develop industry skill standards for the key occupations in their sector. The third stage is to develop new training programs that prepare workers to meet the standards. And the fourth stage is to actually provide the training.

All RFPs included common elements to enhance coordination and to take advantage of the synergistic effect of the funds working together. The common required criteria have included:

- **Regional Proposal:** Proposals have to be for a specified geographic region of the state.
- **Economic Analysis:** Proposals have to demonstrate the importance of the economic sector to future economic opportunities in the region.
- **Industry-driven:** The proposals have to provide evidence that the projects would meet the needs of a key area industry and demonstrate involvement of local industry leaders.
- **Partnership of Key Stakeholders:** Employers, labor, training providers, workforce development councils, economic development councils, and other appropriate stakeholders have to be partners in the proposals.

In all, since 2002, we have deployed \$11 million in a combination of state general funds and Workforce Investment Act Funds.

By linking our resources to economic clusters, we are focusing precious state and federal resources on sectors where the market has already demonstrated that Washington has a competitive edge over other areas of the nation. Targeting public resources in this manner will help ensure that they are invested where they are likely to deliver the greatest return to our economic growth.

We will continue this coordinated approach to targeting workforce development and higher education resources, and will build upon it by including additional sources of support. As part of Governor Locke's Joint Economic Vitality Cabinet, these agencies are currently working with the Departments of Community, Trade and Economic Development, Ecology, Agriculture, and Transportation to pilot cluster-based approaches to economic vitality.

Industry Skill Panels: Organizing the Demand

Begun by the Governor Locke and the Legislature in 2000, and sustained since then through investments from WIA, Industry Skill Panels are public-private partnerships comprised of business, labor, and education (including community and technical colleges) that organize to meet the existing and future workforce needs in key industries. These panels provide forums for discussion with multiple stakeholders vested in a particular industry. Skill panels create industry-driven teams that find solutions for short-, mid- and long-term challenges and opportunities for an industry's workforce. They foster an environment of knowledge sharing among individuals who take action, make investments, and make recommendations for immediate and future action for policy changes necessary to keep an industry's workforce, and therefore the industry, competitive.

Three types of industry skill panels are emerging in Washington State:

- Crisis Driven; i.e. agriculture and food processing, health care and aerospace
- Industries in Transition; i.e. information technology, marine services, construction, electronics, manufacturing and energy
- Emerging Industries; i.e. computer game software development and biotechnology

Although Washington skill panels are less than three years old, a few tangible results include:

- The development of a variety of tools, products, and materials such as curricula, skill standards, assessment tools, and new apprenticeship programs.
- A renewed interest from local media on workforce and economic development topics and achievements.
- Industrial or regionally centered research that has provided credible information for both the public and private sector to use to find solutions for skill gaps. Shared instructional design and curricula, resulting in the ability of industries with multiple locations to use courses that are consistent throughout the state.

Skill panels are important strategic investments, aligning workforce and economic development strategies. Washington State's investment in skill panels is relatively small. It is intended to be seed money to assist companies and their supplies in an industry in a local region to organize themselves to identify and meet their workforce needs. Facilitators of skill panels are local workforce development councils, community colleges, business associations and community-based organizations. Virtually all skill panels have used funding from the Workforce Board to leverage additional financial support from other public or private resources. Moreover, private investments are being made on a continuing basis. These investments take the form of cash, executive time, wages, benefits, and travel.

An important local partner in many Industry Skill Panels is the local WorkSource Center (the One Stop). To strengthen their contribution to key sectors even more, the state will use a small Department of Labor Technical Assistance and Training grant to deepen selected Centers' knowledge of their communities' workforce needs. The attention you

have given to employer engagement in S. 1627 is very supportive of our goals and directions. Finally, we are pleased to be one of the sites for the Workforce Innovation Networks (WINs) project hosted by the Center for Workforce Preparation of the U.S. Chambers of Commerce, Jobs for the Future, and the Center for Workforce Success of the National Association of Manufacturers. This project is directed to engaging employers more deeply with the workforce development system, and we anticipate that it will strengthen the system's responsiveness to employer needs.

Since 2001 Washington State has invested in 33 industry skill panels in the following industries: Construction, Information Technology, Health Care, Energy Technology, Electronics, Manufacturing, Marine Services, Food Processing and Agriculture, Biotechnology and Computer Game Software. Today, over 300 business partners are actively engaged in this effort. Fifteen programs were created in 2002 - 2003 in six different industries, including curriculum development and improvement. In addition skill standards were developed in three industries – energy, computer game software and electronics. These tools will result in postsecondary programs tailored to meet the real skill needs of industry.

Centers of Excellence

“Centers for Excellence” are broadly defined as places that industries can rely on to understand their particular needs and interests, to help solve their skill-related problems, to help ensure a continuing flow of new entrants, and to provide a source of upgrading its existing workforce. Centers are a “one-stop shop” for the firms that comprise a cluster, so that educators and trainers are able to more efficiently stay abreast of changes in technology and employment and develop special resources for employers. (State Board for Community and Technical Colleges, Fall 2003)

The State Board for Community and Technical Colleges (SBCTC) is supporting its 34 community and technical colleges as they meet the dynamic changes required in these times of high unemployment and diminishing resources. For the 2003 - 2005 biennium, it targeted \$1,398,100 for workforce program start-up or expansion of high demand programs linked to economic development. Successful awardees responded to local economic development needs. Six "Centers for Excellence" were funded in the following industries: Process Manufacturing, Power Plant Operations and Generation, Materials Technology in Manufacturing, Center for Manufacturing Excellence, Agriculture, Allied Health Technologies. These centers will develop depth in their knowledge of industry skill needs and will share that expertise, including curricula, within the college system. The employers on fourteen Industry Skill Panels are positioned to partner with these Centers. Through the Centers for Excellence initiative, Washington State's investments will go further, and postsecondary programs across the state will produce graduates fully prepared to take advantage of the job opportunities available in these industries.

Health Care: an Industry in Crisis

A powerful example of the power of partnerships targeted to meet industry demand is

health care.

As in many other states, the health care personnel shortage is at a crisis level in Washington. Health care facilities are operating with critical staff shortages even though we have one of the higher unemployment rates in the country. So critical is the shortage that the industry has resorted to importing workers from other countries and utilizing temporary employment agencies for regular staffing needs. These expensive short-term responses have not been adequate to fill the gap between supply and demand, and cannot be sustained over the long run. While health care employers search for staff, a large number of Washington State's health care training programs are turning away qualified students because the programs lack the capacity, faculty and clinical sites to train them. Fifty-six programs offering nursing and allied health training reported waiting lists in 2001.

To address this issue, four state representatives requested the Workforce Board in 2002 to convene a Task Force to include representatives of health care employers and employees, labor, state agencies, and education and training organizations, including community and technical colleges and four-year colleges and universities. The Workforce Board is using WIA funding to support the work of the Task Force. (See Appendix B for membership.)

The Task Force has developed an action plan last year whose goals are:

- Increasing the number of people entering health care professions.
- Increasing the capacity of health care education and training programs.
- Modifying state regulations and statutes to alleviate the shortage.
- Considering rural health care workforce issues.
- Increasing the racial and ethnic diversity of the health care workforce.
- Being accountable by monitoring its own progress.

A year later, in its December 2003 progress report, the Task Force cited significant progress:

- For the 2003-05 biennium, the Legislature appropriated \$11.8 million that will expand capacity by an estimated 2,000 full-time equivalent students in health care programs at two- and four-year institutions.
- The Legislature passed Substitute House Bill 1189 allowing hospital districts to reimburse employees for education and training and travel costs for interviews.
- Substitute Senate Bill 5966 reduced barriers for dentists from other states to practice in Washington.
- All 12 Workforce Development Councils have established health skill panels with initial financial support from the Workforce Board. These panels of local employers, education, labor, and government representatives develop local solutions to address health care shortages. Two examples suggest their accomplishments. In the Tacoma/Pierce County area, its health skill panel and Tacoma Community College developed a Diagnostic Medical Sonography program to meet the high demand for these

imaging specialists. In North Central Washington, the skill panel is targeting incumbent health workers who live some distance from their local community college campuses and bringing classes to their workplace in a School-at-Work model.

- Washington State focused its \$3 million federal award for surpassing performance targets for workforce development programs on health care (see following section).
- Local health skill panels in Seattle-King County, Northwest Washington, Snohomish County, and Tacoma-Pierce County workforce development areas successfully collaborated to capture a \$2.4 million U.S. Department of Labor awarded H1-B grant to train 294 incumbent workers at institutions of higher education to fill high-demand health care positions in nursing, specialized imaging technology, and radiologic technology.
- The U.S. Department of Health Resources and Services Administration awarded the Pierce County Health Services Career Council a \$683,100 grant to improve the skills of registered nurses by developing and implementing a shared residency program for 535 nurses. The curriculum addresses issues of diversity, cultural competence, service to underserved populations, and mentoring. The project, which includes Pierce and Tacoma Community Colleges and Clover Park Technical College, also aims to recruit 165 nurses who have not been in practice and prepare them to return to patient care.
- Because of new apprenticeships developed in health care occupations, the Department of Labor's Office of Apprenticeship Training, Employer and Labor Services, selected Washington State to pilot specialty apprenticeships in certified nurse assistant and licensed practical nurse as alternative pathways to complement traditional education programs.

Workforce Incentive Act Section 503 Incentive Grants

As you know, the Workforce Investment Act provides that those states that surpass their performance targets in WIA Title I-B, the Adult Education and Family Literacy Act, and the Carl D. Perkins Vocational and Technical Education Act are entitled to an incentive grant. For PY 2001 performance, Washington received \$3 million in Section 503 incentive grant funds. This provision is especially beneficial as we work to create a "system" out of separate state and federal programs. We have noted with appreciation that S. 1627 retains it.

Washington's State Plan for workforce development states that Washington will allocate any Section 503 incentive funds to local WDCs "for system building initiatives, not activities that pertain only to a particular program." Washington State chose to direct all of its Section 503 incentive grant funds to support workforce development for health care occupations.

The Workforce Development Councils, in coordination with K-12 and community and technical college stakeholders, are using the funds to support education and training projects addressing regional health care personnel shortages. As shown in Appendix C, a significant portion of the \$3,000,000 will be used to increase the capacity of community and technical colleges to deliver health care training programs.

This Section 503 planning process has brought these leaders closer together and has

resulted in increased recognition of their mutual and complementary roles in developing our workforce system. As a state community college leader said, “the increased local collaboration initiated by this policy will benefit us well into the future.”

State Investments in High-Demand Fields of Study

In order to expand higher education capacity in fields of study in high demand by employers, Washington State earmarks higher education funds for enrollments in high-demand areas.

Until fairly recently, the state budget process contained no mechanism to direct student enrollments to areas demanded by employers. The result at the non-baccalaureate level was flat enrollment in many of these fields.

This began to change in 1999. In the '99-01 biennial budget, Governor Locke proposed to target growth and the Legislature earmarked funding for 500 full-time equivalent students (FTEs) for fields of study where employer demand exceeded the supply of graduates. No such funding was included in the '01-03 biennial budget. But, in the '03-05 budget, funding is once again provided for 500 high demand FTEs at four-year institutions. In addition, the Legislature appropriated \$12.609 million for high demand programs at community and technical colleges.

The fields of study that are in increasing demand by employers tend to cost more than the average for higher education. This is for two main reasons: 1) Changes in technology often underlie growing employer demand and the same, often costly, new technology may be required to teach high demand fields. 2) The workforce shortages in high demand fields tend to push up compensation and therefore increase the faculty salaries necessary to compete with salaries in the private sector. The more expensive nature of high demand fields creates a disincentive for higher education institutions to expand their enrollments in these fields. While employers have frequently helped by contributing equipment, faculty, or other resources, they cannot, and should not, be expected to cover the full cost differential. Having a more adequate supply of students prepared in high-demand fields will benefit more than just the employers and students directly involved. The Legislature has recognized this cost differential by funding high-demand FTEs at an enhanced rate.

Worker Retraining: Smoothing Workers' Transitions

Not only do we create workforce development strategies to support our key industries, we also recognize that economic change is continuous and that global competition and changing technology can have serious downsides for workers. Washington State has long been committed to assisting dislocated workers, and has developed one of the best sets of policies in the nation for responding to worker dislocations. In 1993, the state created the Worker Retraining program that pays the state's share of the cost of retraining dislocated and long-term unemployed workers at community and technical colleges and private career schools. While most of the money pays for training, the program also helps with childcare, transportation, and some financial assistance for workers who have exhausted

their unemployment benefits.

From the beginning, the program was integrated with the Job Training Partnership Act (JTPA) and now the WIA Dislocated Worker program. Typically, the state will first contact dislocated workers through Rapid Response services, and JTPA/WIA will provide case management, assessments, career and education counseling, help with tuition, and provide job search assistance.

With the advent of WIA in 1998, Pell grants became the first option for funding tuition. For dislocated workers, however, Pell grants are often not available, because the workers do not meet the financial need requirements and often work part time and go to school part time. Pell grants are not authorized for part time students. Washington State is now looking at options for creating a state financial aid program for low-wage workers who are part-time students.

Finally, in 2000, Washington created the Training Benefits program that provides up to 73 additional weeks of unemployment benefits for dislocated workers who enroll in retraining. This financial assistance is key to enabling many workers to stay in retraining long enough to complete a certificate or degree in a high demand technical program.

The Worker Retraining program has grown from 7,161 students in 1993-94 to 13,836 in 2001-02. In the fall of 2002, enrollments were up 59 percent from the previous fall. WorkSource (One Stop) Centers were experiencing barriers enrolling dislocated workers into retraining because the community and technical colleges were already full. To address this capacity problem, the state took advantage of WIA's flexibility to contract for additional training slots.

On an FTE basis, Worker Retraining students represent about one-sixth of the colleges' total workforce education efforts. The growth of the Worker Retraining program has been a major factor why workforce education at the community and technical colleges has grown over the past decade. The increased demand for the Worker Retraining program is due not only to the current economic recession. The long-run trend is for more dislocations to occur due to ever more rapidly changing technology and increasing international competition. Responding to these economic changes means that higher education must have the capacity to retrain dislocated workers who need new skills. This will be an increasing need in the future.

Preparing A Workforce with the Basics: Adult Basic Skills Education

Our community and technical colleges are the primary institutions in our state to provide adult basic skills (i.e. literacy) instruction to the growing population of recent immigrants and others who need basic instruction in English. This is the fastest growing mission area

of our two-year colleges, having grown 100% over the last decade. This growth is putting a financial strain on our colleges since students do not pay normal student tuition. Providing this education, however, is critical if we are to enable recent immigrants and others to be good citizens and productive workers. The most successful programs, as shown by the Workforce Board's evaluations and national research, are those that combine adult basic skills instruction with occupational skills training.

Tools for Decision-Making: Accountability for Results

Evaluation is a critical component in the development of the type of workforce Washington State desires. The Workforce Board is tasked with this responsibility and biennially evaluates the performance results of the training programs provided by the community and technical colleges, private career schools, apprenticeship, worker retraining, Vocational Rehabilitation, secondary career and technical education and the Workforce Investment Act. We provide data to policy makers to assist them with their investment decisions, and to program managers for continuous improvement.

The latest evaluation of the state's workforce development system found that:

- All workforce development programs are estimated to boost participants' lifetime earnings and public tax revenues by amounts exceeding program costs.
- Post-program employment rates among former program participants vary from 60 to 92 percent. They have remained stable during the past two years despite the recession.
- In programs serving adults, 68 to 92 percent of employed former participants reported they were working in jobs related to their training. Placement in training-related jobs increased during the past two years for four of the ten programs.
- Hourly wages and quarterly earnings of program participants increased significantly during the past two years for almost all programs.
- Over 85 percent of employers reported they were 'somewhat' or 'very satisfied' with the overall quality of work by former program participants.

Program results of particular interest to the Health, Education, Labor and Pensions Committee's work in higher education are:

Community and Technical College Job Training

There are 34 community and technical colleges in Washington State, all of which provide job preparatory training. This training provides students with the skills required for specific occupations. (The definition of "job preparatory training" does not include students who intend to transfer to a four-year college, worker retraining, students who enroll to raise their basic skills, or working adults who take a few courses to improve their skill for their current jobs.) It is supported through state appropriations and student tuition; colleges also use Carl D. Perkins Vocational and Applied Technology Education Act funds to improve programs and student success.

The Workforce Board obtained information on almost 16,700 job preparatory students, 51 percent of whom received degrees or certificates, up from 45 percent in 2000. Overall, 94 percent indicated they had met their educational objectives; satisfaction with the quality of teachers, length of training and interaction was over 90 percent in all instances. Employers were equally impressed and 92 percent said they were either 'somewhat' or 'very satisfied' with the overall productivity and job-specific skills of these new employees. As for employability, 78 percent had reported employment in the Northwest during the third quarter after leaving the program. Their median wage was \$13.17 per hour, with annualized earnings of \$24,180. These results are 16 percent higher than for those who left in 1997-98 and 25 percent higher than 1995-96.

Our evaluations further show that job preparatory training has strong positive short-term net impacts on employment, wages (an additional \$2.59/hr), hours worked (40.4/hrs per quarter), and earnings (mean quarterly increase of \$1,470). Projected participants benefits to age 65 outweigh public costs by a ratio of over \$16 in participant benefits per public dollar invested in college training. Finally, the public benefits as well through increased taxes. (See Appendix D.)

Private Career Schools

There are over 325 private career schools and colleges in Washington State, approximately 250 of which are licensed by the Workforce Board. (Either the Higher Education Coordinating Board or the state's Department of Licensing regulates the remainder.) Most students who attended programs at schools licensed by the Board said their skills improved substantially (between 60 and 70 percent depending upon the course of study undertaken) and overall 80 percent said they were satisfied with the training they received. Eighty-eight percent of employers said they were either 'somewhat' or 'very satisfied' with the overall quality of work of these new employees. Eighty-seven percent of career school students were employed six to nine months after leaving their programs and were earning a median wage of \$11.24/hr, a 20 percent increase over the median wage reported two years earlier. Among students who completed their programs, the training substantially increased employment and raised earnings.

Tools for Decision-Making: Students, Parents, Employers

Enrollment in postsecondary education is an important decision, one that should be based on the best information possible – program requirements, costs, future employment possibilities, expected earnings and suitability to one's skills and interests.

Washington State has several tools in place to help students of all ages make informed decisions:

Where Are You Going?

The Workforce Board publishes *Where Are You Going?* a career guide providing information on more than 320 occupations in Washington State, on various schools and

training programs, financial aid, and other related information relating to preparing for employment. Supported by Perkins funding, over 165,000 were distributed last year through high schools, WorkSource (One Stop) Centers, worker retraining sites, community and technical colleges, and community-based organizations. This publication is of great assistance to our students as they prepare to leave high school, but more guidance needs to happen at earlier ages so that students make the right choices during high school.

Consumer Report System

Washington State has developed a consumer report system to inform the public about occupational training programs, including their results. (The system fulfills the requirements of WIA, but ours was under development before WIA was enacted and was facilitated by years of interagency collaboration to create a performance accountability system.) Community and technical colleges, private career schools, and four-year colleges and universities participate in the consumer report system. The system is made up of two websites: Job Training Results (www.jobtrainingresults.org) and the Eligible Training Provider List. (www.wtb.wa.gov/etp).

The training programs on the Eligible Training Provider List (ETPL) have met the state's minimum performance standards for completion rate, employment, and earnings of former participants. These training providers can serve people who are eligible for financial assistance for occupational training, including not only WIA Individual Training Account voucher recipients, but also dislocated workers with Trade Adjustment Assistance, which in Washington State includes many dislocated Boeing employees. The state Legislature also applied the ETPL to the state's Training Benefits program; that is, programs must be listed in order for dislocated workers to use Training Benefits while they study.

Participation in the Eligible Training Provider List is voluntary, but even so, the ETPL currently has over 350 training providers offering over 2,200 training programs throughout the state. Programs at all 34 community and technical colleges in the state are listed as are those at 222 private career schools, and 70 private and public four year institutions and their branches. Worker retraining sites, community-based organizations, and apprenticeship programs are also included. The Workforce Board revisits the policy on standards for inclusion on the ETPL each year. We are gratified that S. 1627 allows states the option of continuing the ETPL; we have found it very useful.

The second part of the consumer report system is Job Training Results (www.jobtrainingresults.org) where anyone can see the actual performance results of specific training programs of interest. If a customer finds a program of interest on the ETP List, he or she can link directly to www.jobtrainingresults.org to find out about its results, such as employment and earnings as well as information about the students who participated such as their prior education level, race/ethnicity, gender and age. Detailed program information is also included, such as tuition rates, length of program, and school contact information. www.jobtrainingresults.org provides a wealth of information about

hundreds of training programs in one, user-friendly website. Programs at all Washington State community and technical colleges and a growing number of private career schools and four-year institutions have chosen to be part of the www.jobtrainingresults.org website.

A strong feature of the Washington State consumer report system is that the performance information for all programs is calculated in the same way by the state. Therefore, when consumers look up, for example, the earnings results for different programs, \$25,000 at program X means the same as \$25,000 at program Y. We believe that consistent information should be available to potential students so they can make informed decisions.

Conclusion

In conclusion, I would like to thank you for the opportunity to share Washington State's perspectives – and actions- on the connections among higher education, workforce development, and economic vitality. I've only sketched the tip of a very deep iceberg of policies, programs, and partnerships designed to respond to our needs. Our country's need for a workforce more highly skilled than those of our competitors and more able to thrive in a knowledge economy is not "news" to you. Our challenge is huge, and we are ready to work with you as you continue to craft national solutions and responses.

In my remarks today, I hope I have been able to communicate a couple of themes:

In Washington State, we are determined to align our workforce and higher education investments toward our economic future.

We are committed to using the federal resources we receive wisely, responsibly, and creatively.

We believe that partnerships, whether federal/state/local, public/private, business/labor, or education/business, are critical to making our investments go further, strengthening the ties among leaders with common goals, and improving our outcomes.

Again, thank you for your attention.

APPENDIX A

Washington State Workforce Development System

State Board for Community and Technical Colleges Postsecondary Technical Education
Adult and Family Literacy
Carl D. Perkins Vocational and Technical
Education Act (Postsecondary)
Worker Retraining Program
Volunteer Literacy Program
Job Skills Program

Office of Superintendents of Public Instruction Secondary Career and Technical Education
Carl D. Perkins Vocational and Technical Education Act (Secondary)
Employment Security Department WIA, Title I-B Dislocated Workers Program
WIA, Title 1-B Adult Program
WIA, Title 1-B Youth Program
Wagner-Peyser Training Benefits Program
Department of Social and Health Services Division of Vocational Rehabilitation
Department of Services for the Blind Vocational Rehabilitation for the Blind
Opportunities Industrialization Center Employment and Training for Migrant and Seasonal Workers
Department of Labor and Industries Apprenticeship
Private Career Schools

APPENDIX B

Washington State
Health Care Personnel Shortage Task Force

Holly Moore, Task Force Chair, President, Shoreline Community College
Bill Gray, Task Force Vice-Chair, Washington State University - Spokane

Dana Duzan, Allied Health Professionals
Joan Garner, Washington State Nurses Association
Marc Gaspard, Higher Education Coordinating Board
Earl Hale, State Board for Community and Technical Colleges
Troy Hutson, Washington State Hospital Association
Brian Jeffries, Office of Superintendent of Public Instruction
Brian McAlpin, Washington Medical Association
Jeff Mero, Association of Washington Public Hospital Districts
Ellen O'Brien Saunders, Workforce Training and Education Coordinating Board
Rick Ouhl, Washington State Dental Association
Julie Peterson, Washington Association of Housing and Services for the Aging
Gloria Rodriguez, Community and Migrant Health Centers
Lorelee Bauer, Group Health Cooperative
Mary Selecky, Washington State Department of Health
Diane Sosne, Service Employees International Union
Evelyn Torkeleson, Washington Rural Health Association
Vickie Ybarra, State Board of Health
Diane Zahn, United Food and Commercial Workers Union

See www.wtb.wa.gov/HEALTHCARETASKFORCE.HTM

APPENDIX C

Section 503 Incentive Award (\$3 million) Activities In Washington State

Workforce Development Areas Youth Initiatives Transitions and Bridges Training Eastern Washington

Partnership (Ferry, Pend Oreille, Garfield, Stevens, Columbia, Lincoln, Whitman, Asotin, and Walla Walla counties)

Awarded: \$206,313 Support expanded educational capacity for licensed practical nurse programs at local community colleges. Provide funds for additional instructors and 20 additional students

Olympic (Clallam, Kitsap and Jefferson counties)

Awarded: \$130,707 Fund a regional health occupations summer camp experience Provide management training to registered nurses and medical terminology training to hospital employees Manage a medical occupations scholarship program (testing fees, tutor costs, tuition support)

Pacific Mountain

(Grays Harbor, Mason, Lewis, Thurston and Pacific counties)

Awarded: \$228,812 Deliver integrated health care focused workshops Create a regional medical laboratory technologist program

Southwest Washington

(Cowlitz, Wahkiakum, Skamania and Clark counties)

Awarded: \$216,147 Improve preparation of K-12 students via pilot projects

Conduct incumbent worker pilot to develop best practices for overcoming barriers to training Implement best practice health care pilots

Spokane Area

(Spokane County)

Awarded: \$275,129 Provide K-12 Skills Center students with hands-on college laboratory experience Deliver transition services online or on campus Provide support services to reduce barriers to success while in training and in employment

Workforce Development Areas Youth Initiatives Transitions and Bridges Training

Tacoma-Pierce County

(Pierce County)

Awarded: \$327,413 Deliver health care occupations workshops with outreach to K-12 and populations with limited English-language proficiency Clinical placement and tuition assistance for incumbent worker nursing training. Enhance coordination of nursing clinical placement and increase tuition support for incumbent worker training Support Diagnostic Medical Sonography program and Nurse Educator program

Tri-County

(Yakima, Kittitas and Klickitat counties)

Awarded: \$260,200 Develop health care curriculum for high school students Coordinate cross training and career planning for health care workers Provide funds to support faculty costs for health care program costs at Yakima Valley Community College

Benton-Franklin

(Benton and Franklin counties)

Awarded: \$150,866 Help ethnically diverse students interested in health care careers to meet pre-requisites and plan their career paths. This program addresses shortages of diverse health care staff and assists students with traditionally lower educational outcomes. Promote increased awareness among K-12 counselors/teachers about health care opportunities Employ coordinator to implement the Mathematics, Engineering Science Achievement (MESA) program in Benton and Franklin county schools

North Central

(Chelan, Okanogan, Grant, Douglas and Adams counties)

Awarded: \$221,291 Provide career summits for all 9th grade students, teachers and parents Arrange additional career pathway services for economically disadvantaged 9th graders. Coordinate with Tech Prep partners to enable students to take advantage of dual enrollment and shorter time to degree/credential

Workforce Development Areas Youth Initiatives Transitions and Bridges Training Northwest

(Whatcom, Skagit, Island and San Juan counties)

Awarded: \$188,200 Have partners deliver lesson plans at area schools and arrange one week and six-week health care career camps Implement Bridge Classes targeted to students who have the potential to enter health care training programs

Snohomish County

(Snohomish County)

Awarded: \$243,155 Deliver High School and Beyond project activities, assessing training needs and informing targeted youth about health care opportunities Develop a Vocational English as a Second Language health care bridge program and provide incumbent worker specialized training Add training capacity for community college health care programs

Seattle-King County

(King County)

Awarded: \$551,747

Provide youth with career exploration and training in health care fields. Provide career development specialists on-site for hospital workers to plan for career progression to higher-wage occupations Expand regional health care training capacity at selected community and technical colleges

APPENDIX D

Benefits and Costs of Job Preparatory Training at Community and Technical Colleges

First 2.5 years after Program Forecast to Age 65

Participant Public Participant Public

Earnings \$4,275 \$96,263

Employee Benefits \$ 855 \$19,253
Taxes -\$1,075 \$1,075 -\$24,210 \$24,210
UI Benefits -\$ 7 \$ 7 -\$ 1,767 \$ 1,767
TANF -\$ 469 \$ 469 -\$ 905 \$ 905
Food Stamps -\$ 20 \$ 20 -\$ 141 \$ 141
Medical Benefits -\$ 39 \$ 39 -\$ 141 \$ 141
Foregone Earnings -\$1,375 -\$ 1,375
Program Costs -\$3,118 -\$6,916 -\$ 3,118 -\$ 6,919
TOTAL -\$ 973 -\$5,306 \$84,216 \$19,890

APPENDIX E

Recent Workforce Board Publications of Interest

Workforce Training Results 2002 - An Evaluation of Washington State's Workforce Development System

High Skills, High Wages 2002- Washington's Strategic Plan for Workforce Development

Annual Report to the Legislature 2003 - Progress of Agencies in Implementing High Skills,
High Wages

Competitiveness and Opportunity - Public/Private Industry Partnerships That Work
(Skill Panel report)

Health Care Personnel Shortage: Crisis or Opportunity? 2002

Progress 2003 - A Report of the Health Care Personnel Shortage Task Force

These publications are all available online at www.wtb.wa.gov/publications.html