There is a strong correlation between the skills of America’s workforce and the prosperity of our nation. Our country must dramatically increase the number of Americans with industry-recognized, postsecondary credentials that are needed by high-demand industries and occupations, or we risk the outmigration of good jobs and a stalling of the economy. The nation’s workforce system is primed for transformation as the result of the enactment of the Workforce Innovation and Opportunity Act (WIOA)—but this transformation cannot be accomplished alone. The nation’s higher education and career and technical education (CTE) systems must also change, and workforce development boards (WDBs) are well equipped to help make this happen.

Jobs for the Future (JFF), a national nonprofit that builds educational and economic opportunity for underserved populations, presents this policy briefing for consideration by members of the National Association of Workforce Boards (NAWB) to encourage leaders in the nation’s workforce development system to actively engage in local, state, and federal education policy development where such policies impact the training of America’s workers.

This report outlines the importance of national education policy for carrying out comprehensive workforce development systems under WIOA. Its major focus is to describe federal policy considerations as they pertain to the upcoming reauthorizations of the federal Higher Education Act and the Perkins Career and Technical Education Act. A goal of this report is to determine the role that workforce boards can play in rethinking and restructuring the nation’s education and training offerings to more efficiently meet the skill needs of workers, employers, and regional economies.
While the Trump administration’s positions on education and workforce policy are still being revealed, we know that this administration will view the federal role on these issues very differently than the Obama administration.

We know that President Trump is a strong supporter of school choice and charter schools, pledging a $20 billion investment in school choice initiatives. His administration has promised to eliminate regulations that President Obama put in place with the Every Student Succeeds Act (ESSA) and on higher education policy. We have also seen glimpses of President Trump’s thinking on higher education as outlined in speeches and through interviews with campaign officials, where they are considering:

- Income-based student loan repayment while moving student loan financing back to the private sector;
- Working with Congress to ensure good-faith efforts to reduce the costs of college and student debt in exchange for federal tax breaks and federal support;
- Ensuring opportunities for students to attend postsecondary education and training programs, while incentivizing majors that lead to high-wage jobs over liberal arts degrees;
- Requiring higher education institutions to participate in risk-share programs when guaranteeing student loans—incenting institutions to focus more on majors that lead to well-paying jobs; and
- Providing students with more information about student outcomes such as post-graduate employment prospects for making postsecondary choices.

Many of these issues will be considered as part of Congress’ reauthorization of the Higher Education Act (HEA). Both the House and Senate plan to reauthorize the HEA as well as the Perkins Act in the next Congress. Some changes may also be considered as part of annual budget and appropriations processes.

President Trump has also expressed support for investing in the nation’s infrastructure, creating jobs for thousands of workers. We do not know, however, if such an investment will include an accompanying training component, or whether such an investment would utilize the nation’s workforce system. NAWB would likely want to encourage these two elements.

The fact that the new administration does not yet have an ironclad agenda for education and workforce issues presents possible opportunities to influence their thinking and the development of education and workforce policies. If this is the case, it will be more important than ever that NAWB develop and articulate thoughtful views on education policy, particularly in support of the education and training of America’s workers and for meeting the skill needs of U.S. employers.
In 2014, Congress developed the Workforce Innovation and Opportunity Act, setting the expectation that WDBs should play critical roles in the design and implementation of education programs that include, and extend beyond, those programs authorized under WIOA.

Enacted in July 2014, WIOA includes multiple provisions that encourage workforce systems, and particularly WDBs, to engage in the development and implementation of comprehensive education and workforce development systems in their states and regions. To effectively play such roles, WDBs must engage in policy as well as program development for these programs, and be aware of the major issues under consideration. From the local and state implementation of ESSA, to reauthorization and the eventual implementation of the Perkins Career and Technical Education Act and the Higher Education Act, WDBs can and should bring their knowledge and influence to the table.

WIOA System-Related Expectations

Local workforce development boards are required to:

- Determine the strengths, weaknesses, and capacity of providers, and actions necessary to address workforce needs through analyzing: regional economic conditions; in-demand industry sectors and occupations; the knowledge and skills needed to meet the needs of employees compared to the education and skills of the workforce; and education and training in the region
- Convene system stakeholders, brokering and leveraging services and resources in support of workforce activities
- Engage employers, including those from high-demand industries and occupations, to ensure workforce system relevance and to develop and implement proven or promising strategies for meeting the employment and skill needs of workers and employers (e.g., establishment of sector strategies and industry sector partnerships)
- Lead efforts to develop and implement career pathways, working in partnership with secondary and postsecondary education programs by aligning employment, training, education, and supportive services that adults and youth need, particularly those with barriers to employment
- Coordinate with education providers, making recommendations on system alignment and cooperative agreements

THE NEED

By 2020 65% of jobs will require some form of postsecondary education and training

There will be a shortage of 3 million workers with an associates degree or higher and 5 million workers with technical certificates and credentials by 2020

50%+ of 25-year-olds in the U.S. have no postsecondary credentials

THE CHALLENGE

WIOA

In 2014, Congress developed the Workforce Innovation and Opportunity Act, setting the expectation that WDBs should play critical roles in the design and implementation of education programs that include, and extend beyond, those programs authorized under WIOA.

Enacted in July 2014, WIOA includes multiple provisions that encourage workforce systems, and particularly WDBs, to engage in the development and implementation of comprehensive education and workforce development systems in their states and regions. To effectively play such roles, WDBs must engage in policy as well as program development for these programs, and be aware of the major issues under consideration. From the local and state implementation of ESSA, to reauthorization and the eventual implementation of the Perkins Career and Technical Education Act and the Higher Education Act, WDBs can and should bring their knowledge and influence to the table.
Why should workforce boards engage in education policy and programming beyond the expectations established in WIOA? This is an especially challenging question to answer since there is no clear authority assigned to WDBs under major education statutes other than those authorized under WIOA—and there is no additional funding provided to carry out these activities.

The complex work that WDBs tackle includes building career pathways systems, developing training for sector strategies, and ensuring that the systems are relevant. There are a number of good reasons why WDBs should take on this complex work, including funding. When comparing the combined federal funding for nearly all formula-based workforce development programs to federal Pell grant funding alone in a given year, Pell funding far surpasses that for workforce programs by nearly three to one (74 percent to 26 percent; see Figure 1). Even if comparing Pell grants for independent students only (postsecondary students who are 24 years of age and over—a proxy for students who are enrolled in workforce-focused programs), Pell funding still vastly overwhelms total funding for workforce programs (61 percent to 39 percent). These numbers stress the importance of higher education policy to workforce development efforts, making a strong case that WDBs and workforce systems should:

- Become experts at helping WIOA participants access Pell grants where possible;
- Engage in the design of postsecondary programs that have workforce preparation as a focus; and
- Engage in the development of policies that govern student aid funding—advocating for more flexibility in what programs can be funded under the Pell grants Program (e.g., competency-based education and shorter-term credentials), and ensuring program relevance and improved student outcomes.

Figure 1.
FY16 Federal Workforce vs. Pell Grant Funding

<table>
<thead>
<tr>
<th>Program Type</th>
<th>FY16 Federal Workforce Funding</th>
<th>Pell Grant Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>WIOA Adult</td>
<td>$815,556,000</td>
<td>$28,321,000,000</td>
</tr>
<tr>
<td>WIOA Youth</td>
<td>$240,416,000</td>
<td>$873,416,000</td>
</tr>
<tr>
<td>WIOA Adult Ed</td>
<td>$595,667,000</td>
<td>$25,500,000</td>
</tr>
</tbody>
</table>
Accreditation Standards

(i) Success with respect to student achievement in relation to the institution’s mission, which may include different standards for different institutions or programs.

(ii) Curricula.

(iii) Faculty.

(iv) Facilities, equipment, and supplies.

(v) Fiscal and administrative capacity as appropriate to the specified scale of operations.

(vi) Student support services.

(vii) Recruiting and admissions practices, academic calendars, catalogs, publications, grading, and advertising.

(viii) Measures of program length and the objectives of the degrees or credentials offered.

(ix) Record of student complaints received by, or available to, the agency.

(x) Record of compliance with the institution’s program responsibilities under Title IV of the Act, based on the most recent student loan default rate data provided by the Secretary.”

HEA Accountability for Student Outcomes

Federal student aid funding under Title IV of the HEA does not currently take into account student outcomes as a primary condition for institutional eligibility. While postsecondary institutions must be accredited before they are eligible to receive Title IV funding—and eligible programs must end in a credential as well as meet credit hour or seat time requirements—accrediting agencies do not look at student outcomes as primary measures. Instead, they consider standards such as those listed in the box.

An increasing number of organizations believe that institutional/program eligibility for Title IV (student aid) funding should be conditioned upon student outcomes, including labor market outcomes. Such a change would be very controversial and would be very difficult to achieve. However, there are other ways to focus on student outcomes, as described on the following page.
Questions for WDBs to consider on higher education accountability:

While it would be very difficult to make student aid funding wholly conditioned upon student outcomes in the next reauthorization, there are a number of options that WDBs and NAWB should consider for support, including some options listed below.

- Should the accreditation process be changed to require a focus on student outcomes?
- Should Title IV eligibility be directly linked to student outcomes such as educational progress, credential attainment, graduation, jobs, earnings, and/or access to more advanced education?
- Should institutions receiving federal funding be required to report data on student outcomes, by institution and program, so that consumers have this information when making college and program choices?
- Should outcomes be made available to students through annual report cards for colleges (i.e., on the current “College Scorecard”)?
- Should outcomes apply to all postsecondary programs or just occupationally focused programs?

Pell Grant Eligibility—Flexibility, Innovation, and Affordability in Student Aid

While over half of Pell grant recipients are nontraditional students, federal student aid programs could be significantly improved to support the needs of students who are older, working while in school, or seeking skills and credentials quickly so they can get back to work. Postsecondary education programs are still largely structured to meet the needs of traditional students who enter higher education right after high school, and student aid funding for nontraditional students continues to be at risk for reductions. For example, the Ability to Benefit and Year-Round Pell provisions of the HEA were eliminated in the Consolidated Appropriations Act of Fiscal Year 2012 in order to reduce federal spending.

Current Rules.
Pell grant funding is currently limited to students who are enrolled in postsecondary programs that result in a degree, certificate, or other recognized educational credential at an institution of higher education, and that meet certain credit or clock hour requirements. Some members of Congress, such as Senators Tim Kaine and Rob Portman, support the expansion of Pell grants to cover shorter-term programs that result in industry-recognized credentials. Others are questioning the current system’s dependence on the “credit hour” for determining student aid program eligibility. They are looking at competency-based education, online offerings, credit for prior learning, and other acceleration strategies for rethinking higher education and for shortening the time that it takes to earn credentials.

Pell-Eligible Programs

Programs that result in a degree, certification, or recognized educational credential at an institution of higher education that provide:

- 600 clock hours of instruction, 16 semester hours, or 24 quarter hours, during a minimum of 15 weeks for programs that provide training to prepare students for gainful employment in a recognized profession; and admittance for students who have not completed an associate’s degree; or
- 300 clock hours of instruction, 8 semester hours, or 12 quarter hours, offered during a minimum of 10 weeks, for:
  i. an undergraduate program that requires an associate’s degree for admissions; or
  ii. a graduate or professional program.

Nontraditional Students

- Delayed enrollment (not enrolling directly after high school)
- Attend part time
- Work full time while enrolled
- Independent students
- Have dependents
- Are single parents
Questions for WDBs to consider regarding Pell grant expansion:

While expansion of Pell grants may be met with concerns over cost and quality control, WDBs and NAWB should consider the following questions in the interest of helping student aid better meet the needs of workforce-focused education and training practitioners and programs:

- Should NAWB oppose any potential diminishment of Pell grant eligibility for nontraditional students?
- Should NAWB support the restoration of year-round Pell grants, which particularly help nontraditional students attain credentials more quickly?
- Should NAWB advocate to uphold the partial restoration of Ability to Benefit for students in eligible career pathway programs, which is important for low-skilled adults and out-of-school youth?
- Should Pell grants be expanded to allow for shorter-term programs that result in industry-recognized credentials (similar to the Kaine/Portman JOBS bill)?
- Should the definition of eligible institutions (for purposes of receipt of student aid funding) be changed to allow student aid coverage for pre-approved providers other than higher education institutions such as employers, social media and technology-enabled badging, apprenticeship, massive open online courses, and code academies?
- Should student aid eligibility be changed to allow for greater flexibility in covering acceleration strategies such as condensed scheduling, boot camps, competency-based education, innovations in credentialing, and credit for prior learning (noting that some of these alternatives may need more testing)?
- Should a specialized accreditation entity be established that has responsibility for quality assurance and accreditation of competency-based education programs; short-term, industry-recognized credentials; and alternative credentialing providers? (This kind of accrediting body could be used not only to give stamps of approval to programs and providers for HEA, but also under WIOA if it was aligned in some way with states’ approved training provider lists.)
- Should Title IV Experimental Sites be expanded to further test and evaluate the above described changes in student aid, building evidence and support for alternatives?
- Should Title IV waivers for competency-based education be expanded?

**Increased Emphasis on Labor Market Relevance**

**Greater Alignment with WIOA and the Workforce System**

To improve students’ employment outcomes in higher education, an increasing number of stakeholders believe that postsecondary programs should be better aligned with the needs of employers in high-demand industries and occupations. NAWB may want to consider recommendations for the HEA that would encourage greater labor market relevance in postsecondary programs. As discussed earlier, this can be accomplished in part by requiring that institutions report on labor market and other student outcomes by program, or by tying program eligibility for student aid to established performance outcomes.

Beyond tying student aid to labor market outcomes, there are other incentives that could be considered such as:

- Increased emphasis in the HEA on the development of sector-focused career pathways
- Employer and workforce system engagement in the design of postsecondary programs
- Increased emphasis on the development of industry-recognized credentials
- Expanded opportunities for work-based learning (e.g., internships, cooperative education, and apprenticeships)
- Greater alignment between the HEA, WIOA, and other programs that are focused on the needs of America’s workforce
Questions for WDBs to consider on improving labor market and WIOA alignment in postsecondary education programs:

- Should state or regional partnership grants be established that would encourage a greater emphasis in higher education on the needs of the labor market, as well as greater system alignment?
- Should programs that result in industry-recognized credentials be expanded?
- Should efforts be expanded to assist employers and employer organizations in the identification and use of industry-recognized credentials?
- Should the use of prior learning assessments, credit for prior learning, and focusing teaching on skills gaps be encouraged?

- Should work-based learning be expanded through strategies such as: on-ramps to apprenticeship; internships and other work-based learning opportunities that are relevant to students’ programs of study; and changes in college work-study programs that tie placements to students’ programs of study, and that allow for private-sector work-study placements?

Scaling Evidence-based Strategies

Meeting the education challenges of the future will require new ways of designing, delivering, and assessing education and training. Like WIOA, the HEA should support the scaling of innovative and evidence-based strategies to make education more accessible, affordable, and relevant to students and employers. New models are emerging inside and outside the existing higher education system that are pushing the boundaries of educational design. The HEA and the workforce system should encourage the best of these strategies, particularly those with an evidence base, to ensure that more students attain the credentials that are needed for family-supporting careers.

Questions for WDBs to consider for seeding and scaling evidence-based and innovative practices in postsecondary programs:

- Should evidence-based practices and innovations be expanded through strategies such as:
  - Grant funding
  - Guidance and regulations
  - Experimental site authority?

- Should the development and expansion of alternatives to traditional classroom training be encouraged in higher education policy, such as incentives to employer organizations for the identification and validation of industry-recognized credentials and alternative training delivery mechanisms?

- Should new grant funding for the establishment of partnerships among postsecondary, workforce, and economic development stakeholders—especially for distressed areas—be used to encourage the kinds of systemic strategies described above?
While not an education policy issue per se, NAWB should be prepared to provide input if the Trump Administration and Congress invest in the nation's infrastructure. Since one of the primary reasons for such an investment will be to create jobs in distressed areas, a designated fund should be established to provide skills training for the workers that will be needed to fill the new jobs in those communities. If such investments are made, it will be important for WDBs and NAWB to strongly support such a designated training fund and to argue that any new funding come through the nation’s WIOA and existing education and training systems.

Both H.R. 5587 and the Senate draft bill:

1. Maintained the current structure and funding mechanisms from current law (formula-driven funding to states and local grantees), with a few minor changes.
   - Is this a priority issue for WDBs? Are there changes NAWB should encourage?

2. Encouraged the establishment and expansion of Programs of Study—secondary-to-postsecondary CTE pathways that result in postsecondary credentials in high-demand occupations. POS represent best practice in CTE throughout the country. Current law requires the establishment of at least one POS in every state and local area receiving Perkins funding. Both bills significantly increased the emphasis on POS under Perkins—but neither required the expansion of this best practice as the primary focus of Perkins reauthorization. A number of organizations recommended that POS should be the primary focus of the Perkins Act.
   - Should WDBs support and/or encourage further expansion of Programs of Study in Perkins?

3. Similarly, both bills strengthened language encouraging the expansion of dual enrollment (where high school students earn postsecondary credit while still in high school) and work-based learning opportunities for CTE students.
   - Should WDBs support and/or encourage further strengthening of these evidence-based strategies in Perkins?

4. Both bills encouraged state and local leaders to better integrate CTE with other education and workforce development programs. This would allow states to submit single-state plans with WIOA; require the common use of labor market information and common definitions from WIOA (e.g., the definition of career pathways, in-demand industry sector or occupation, and recognized postsecondary credential); and require state and local WDBs to provide input on state and local CTE plans/applications.
   - Should WDBs support these system-alignment provisions? Are there additional system-alignment provisions that should be included in Perkins?
5. Both bills increased CTE’s focus on in-demand industries, using definitions and processes from WIOA. They also increased CTE’s focus on employability skills, work-based learning opportunities, and meaningful credentialing so that students are prepared to enter the workforce. The bills could be strengthened by further encouraging that employer engagement activities in CTE be conducted in partnership with WDBs or as part of industry sector partnerships established under WIOA.

- Should WDBs encourage that such provisions be included in Perkins? Are there other sector-focused or employer engagement provisions that WDBs should encourage?

6. On performance measures, the bills:
- Aligned secondary CTE measures with performance measures under ESSA.
- Aligned postsecondary CTE measures with performance in WIOA.
- Allowed states to set performance goals with input from local education leaders, parents and students, workforce boards, and community and business representatives.
- Repealed the authority of the Secretary of Education to negotiate performance levels.

- Are these issues that WDBs want to weigh in on as part of Perkins?

CONCLUSION

We want all Americans to have the skills and credentials they need to succeed—and for employers to find the skilled workers they need to remain competitive—in order to keep the U.S. competitive in the global economy. We all want to have an affordable, easily accessible, flexible, and responsive education and workforce development system in the U.S. that fully and efficiently meets the needs of all students, jobseekers, workers, and employers. This will require working together on the ground as well as providing input into the local, state, and federal policies that govern these systems. To achieve these goals, workforce boards must seize this opportunity to work with policymakers to ensure that the U.S. education and workforce systems act as one.
About the Author

Mary Gardner Clagett is the director for national workforce policy at JFF. In this position, Mary works with workforce leaders and practitioners from around the country to shape effective policy recommendations to meet the skill needs of America's workers and employers to advance the U.S. economy. She and the team at JFF work to identify best and promising practices, particularly for meeting the education, training, and employment needs of underprepared students, jobseekers, and workers—translating practice into policy. Prior to her current job, Ms. Clagett spent more than 20 years working for the U.S. Congress on workforce development and related issues, including on development of the Workforce Investment Act of 1998, the National School-to-Work Opportunities Act, and numerous other education- and workforce-focused measures.