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Path To Prosperity: The Higher Education-Workforce Development Intersect

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The Need for Human Capital

- By 2018, 63% of all jobs will require some postsecondary education*
- 22 million new workers needed with postsecondary degrees
- At current trajectory, will fall short by 3 million; 300,000 college graduates annually

Georgetown University Center on Education and the Workforce

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Higher Education Vital to Personal, Societal Economic Security

- Current unemployment rate:
 - college grads: 4.4%
 - high school grads: 9.5%
- Earnings (2008):
 - college grads: \$58,613
 - high school grads: \$31,283

Sources:
U.S. Bureau of Labor Statistics; U.S. Census Bureau, Statistical Abstract of the United States: 2011

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States' Educational Attainment Rates, Per Capita Income and Tax Revenue

Educational Attainment (percentage of adults with bachelor's degree or higher)	Per capita personal income (2010)	State and local tax revenue per capita (FY 2008)
Below 23%	\$34,638	\$2,456
23 - 25%	\$36,822	\$3,883
25 - 27%	\$5,113	\$39,093
27 - 31%	\$4,250	\$39,831
Above 31%	\$5,138	\$47,095

Sources: Per capita personal income (2010): U.S. Department of Commerce, Bureau of Economic Analysis; actual tax revenues per capita (FY 2008): State Higher Education Executive Officers, State Higher Education Finance, FY 2010; and educational attainment (2008): U.S. Census Bureau, 2010 Statistical Abstract of the United States: State Rankings Tables.

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Figure 2: Model of State Capacity Building

Public investment in higher education stimulates greater economic activity and generates enhanced returns that can be further reinvested in a state's composite infrastructure, health care, transportation, public safety, education, etc.

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    graph TD
      A[Public Investment in Higher Education] --> B[Increased Educational Attainment Rates]
      B --> C[Higher Per Capita Personal Income]
      C --> D[Greater Tax Revenue Capacity for Further Public Reinvestment]
      D --> A
      subgraph Cycle
        B
        C
        D
      end
      subgraph Center
        E[State Capacity Building: Cycle of Growing Reinvestment]
      end
      E --- Cycle
  
```

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10 Higher Education State Policy Issues To Advance Workforce Development/Economic Competitiveness

1. State operating support for public higher education
2. States' college completion and educational attainment agendas
3. College readiness
4. Tuition policy and prices
5. State student aid program financing

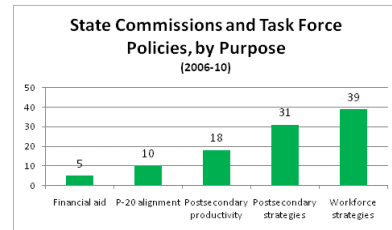
Adopted from AASCU Briefing: Top 10 Higher Education State Policy Issues for 2011; viewable online at aascu.org/policy

10 Higher Education State Policy Issues To Advance Workforce Development/Economic Competitiveness

6. Student enrollment capacity
7. State data system development
8. Economic and workforce development
9. States' political climate
10. States' regulatory framework

Adopted from AASCU Briefing: Top 10 Higher Education State Policy Issues for 2011; viewable online at aascu.org/policy

Legislative Commissions and Task Forces



Education Commission of the States (2011). *Legislative Commissions and Task Forces: Developing Strategies to Meet Completion & Workforce Challenges.*

The Role of Higher Education in Effective State Workforce Development

Several states have undertaken “bold, comprehensive strategies to align postsecondary education with state economic goals.”

These include: Minnesota, North Carolina, Ohio, and Washington.

NGA Center for Best Practices (2011). *Degrees for What Jobs? Raising Expectations for Universities and Colleges in a Global Economy*

Common Steps to Strengthen Universities and Colleges as Agents of Workforce Development

1. Set clear expectations for higher education's role in economic development.
2. Emphasize rigorous use of labor market data to define goals and priorities.
3. Encourage employers' input in higher education.
4. Require institutions to collect and publicly report impacts.
5. Emphasize performance as an essential factor in funding.

NGA Center for Best Practices (2011). *Degrees for What Jobs? Raising Expectations for Universities and Colleges in a Global Economy*

Minnesota

MNSCU – visited 350 employers to better understand their workforce needs. Developing a plan to:

- Strengthen courses and programs so that students learn the emerging skills employers have identified
- Expand opportunities for internships and apprenticeships
- Strengthen relations with local businesses through outreach, communications, and collaborations
- Expand educational offerings to include more online education, experience-based learning, and flexible options.

NGA Center for Best Practices (2011). *Degrees for What Jobs? Raising Expectations for Universities and Colleges in a Global Economy*

Minnesota (continued)

2005 – legislature appropriated \$10 million to MNSCU to establish centers of excellence, each charged with developing “best-in-class” programs in their sectors.

- HealthForce Minnesota
- 360° Center for Manufacturing and Applied Engineering
- Minnesota Center for Engineering and Manufacturing Excellence
- Advance IT Minnesota

NGA Center for Best Practices (2011). *Degrees for What Jobs? Raising Expectations for Universities and Colleges in a Global Economy*

North Carolina

“UNC Tomorrow” strategic plan:

- Requires institutions to consider the demand for graduates in the approval process for new programs.
- Requires all budget requests from UNC institutions to be aligned with seven challenge areas facing the state.
- Use data to be responsive to labor market demand

NGA Center for Best Practices (2011). *Degrees for What Jobs? Raising Expectations for Universities and Colleges in a Global Economy*

Ohio

Ohio’s Strategic Plan for Higher Education – emphasizes the need for a more global orientation for higher education institutions. Includes:

- Encouraging foreign language study in non-traditional areas important to Ohio’s trade linkages
- Promoting Ohio’s higher education offerings throughout the world
- Identifying Ohio companies that have a significant global presence and tailoring programs to help them (e.g., global internships)

NGA Center for Best Practices (2011). *Degrees for What Jobs? Raising Expectations for Universities and Colleges in a Global Economy*

Ohio (continued)

- As part of 2008 strategic plan, adopted new funding formula to “reward education outcomes that are better aligned with Ohio’s economic priorities.”
- Ohio Skills Bank – establishes standards for programs in specific technical areas and allows students to progress in a defined career ladder with “stackable certificates.”

NGA Center for Best Practices (2011). *Degrees for What Jobs? Raising Expectations for Universities and Colleges in a Global Economy*

Washington

Conducts a biennial assessment of the match between higher education credentials available and forecasted employer demand for skilled workers.

Have developed recommendations for:

- Expanding investment in high-demand programs
- Increasing the number of students in high-demand fields
- Building a “re-entry pipeline” to encourage working adults to acquire new skills

NGA Center for Best Practices (2011). *Degrees for What Jobs? Raising Expectations for Universities and Colleges in a Global Economy*

Washington (continued)

“Economic Vitality Dashboard” includes measures that align student and economic outcomes with respect to state-identified goals.

- Tracks degree production, high-demand degrees and certificates, and participant earnings
- Identifies responsible agencies
- Notes if outcomes meet or exceed target goal
- Provides action plan for each measure with due date

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